

report of the

ADVISORY
COUNCIL on
PUBLIC
ASSISTANCE



HV 1607
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AMERICAN FOUNDATION
FOR THE BLIND INC.

PUBLIC ASSISTANCE

REPORT
OF THE
ADVISORY COUNCIL ON PUBLIC ASSISTANCE
CONTAINING
FINDINGS AND RECOMMENDATIONS

DATED JANUARY 1960



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S. Res. 269

IN THE SENATE OF THE UNITED STATES,
March 28, 1960.

Resolved, That the report of the Advisory Council on Public Assistance be printed as a Senate document with an illustration.

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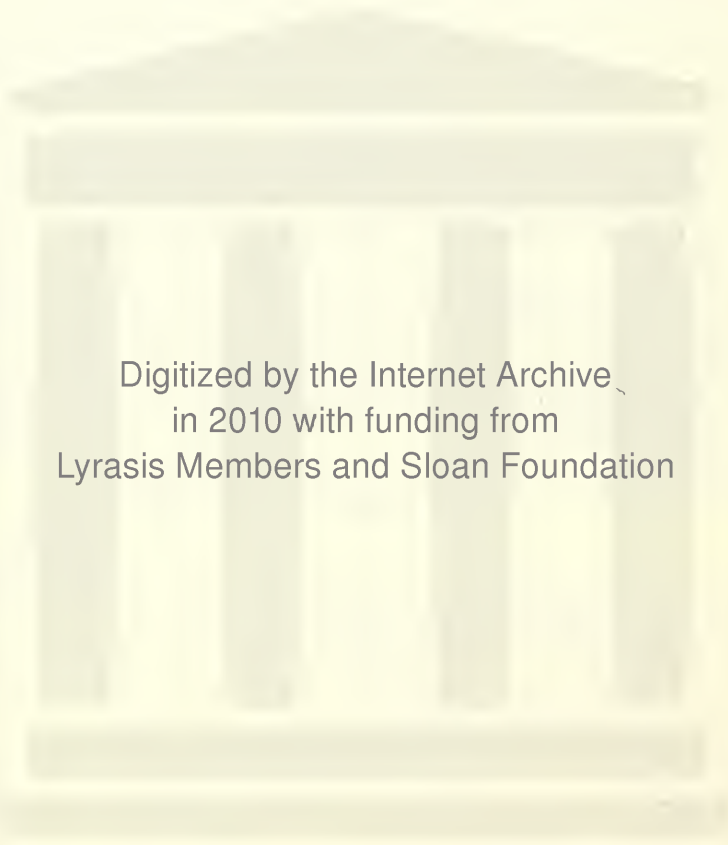
FELTON M. JOHNSTON,
Secretary.

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LETTER OF TRANSMITTAL

DECEMBER 31, 1959.

To: The Honorable Arthur S. Flemming, Secretary of Health,
Education, and Welfare.

The Honorable Richard M. Nixon, President of the Senate.

The Honorable Sam Rayburn, Speaker of the House of Representatives.

GENTLEMEN: As required by section 704 of the Social Security Amendments of 1958, there is transmitted herewith the report of the Advisory Council on Public Assistance.

Respectfully submitted.

(Signed) W. L. Mitchell,

(Typed) WILLIAM L. MITCHELL,

Chairman, Advisory Council on Public Assistance.

▼

STATUTORY AUTHORITY

In accordance with section 704 of Public Law 85-840, the Social Security Amendments of 1958, approved August 28, 1958, the Advisory Council on Public Assistance was appointed early in 1959 by the Secretary of Health, Education, and Welfare. This section provides:

■ (a) There is hereby established an Advisory Council on Public Assistance for the purpose of reviewing the status of the public assistance program in relation to the old-age, survivors, and disability insurance program, the fiscal capacities of the States and the Federal Government, and any other factors bearing on the amount and proportion of the Federal and State shares in the public assistance program.

(b) The Council shall be appointed by the Secretary before January 1959 without regard to the civil service laws and shall consist of the Commissioner of Social Security, as Chairman, and of 12 other persons who shall, to the extent possible, represent employers and employees in equal numbers, persons concerned with the administration or financing of the State and Federal programs, other persons with special knowledge, experience, or qualifications with respect to the program, and the public.

(c)(1) The Council is authorized to engage such technical assistance, as may be required to carry out its functions, and the Secretary shall, in addition, make available to the Council such secretarial, clerical, and other assistance and such other pertinent data prepared by the Department of Health, Education, and Welfare as it may require to carry out such functions.

(2) Members of the Council, while serving on business of the Council (inclusive of travel time), shall receive compensation at rates fixed by the Secretary, but not exceeding \$50 per day; and shall be entitled to receive actual and necessary traveling expenses and per diem in lieu of subsistence while so serving away from their places of residence.

(d) The Council shall make a report of its findings and recommendations (including recommendations for changes in the provisions of secs. 3, 403, 1003, and 1403 of the Social Security Act) to the Secretary and the Congress, such report to be submitted not later than January 1, 1960, after which date such Council shall cease to exist.

MEMBERSHIP OF THE ADVISORY COUNCIL

- William L. Mitchell, Commissioner of Social Security, Department of Health, Education, and Welfare, Washington, D.C., Chairman.
- Frank Bane, consultant to the Director, Office of Civil and Defense Mobilization, Washington, D.C.
- Harry A. Bullis, former chairman of the board, General Mills, Inc., Minneapolis, Minn.
- John E. Burton, vice president, Cornell University, Ithaca, N.Y.
- Wilbur J. Cohen, professor of public welfare administration, University of Michigan, School of Social Work, Ann Arbor, Mich.
- Miss Loula Dunn, director, American Public Welfare Association, Chicago, Ill.
- Mrs. Katherine Pollak Ellickson, assistant director, Department of Social Security, American Federation of Labor and Congress of Industrial Organizations, Washington, D.C.
- Raymond W. Houston, commissioner, New York State Department of Social Welfare, Albany, N.Y.
- Bernard Lander, associate professor of sociology, Hunter College, N. Y., chairman, Commission of Family and Youth Welfare of the Synagogue Council of America.
- William R. MacDougall, general counsel and manager, County Supervisors Association of California, Sacramento, Calif.
- William H. Robinson, chairman, Illinois Commission on Public Aid and Assistance, Chicago, Ill.
- Charles J. Tobin, Jr., secretary, New York State Catholic Welfare Committee, Albany, N.Y.
- Rev. William J. Villaume, executive director, Department of Social Welfare, National Council of the Churches of Christ in the U.S.A., New York, N.Y.

PUBLIC ASSISTANCE

INTRODUCTION

The Advisory Council on Public Assistance was appointed early in 1959. It held 7 meetings from February 1959 through December 1959.

To our deliberations we brought a wide variety of backgrounds. Some of us had prior knowledge of the complexities of public assistance programs through years of professional work in them. Some, though we had wide experience in public affairs, were seriously studying public assistance for the first time. Also, the Council not only embodied a diversity of interests, as the statute provides, but also of philosophies.

Nevertheless, by the democratic process of talking things through, giving and taking, yielding and standing firm, we came to agree on certain basic premises. These, in effect, are the warp for the woof of our recommendations.

Briefly, the assumptions underlying all our carefully deliberated conclusions and recommendations are that:

Public assistance in the United States is deep rooted in our Judeo-Christian heritage with its principle that man is morally responsible for the welfare of his fellow men.

The maintenance of a healthy, dynamic economy is of paramount importance; the Nation prospers when all prosper; social security works best when there are job opportunities and full employment.

The social insurances are a bulwark against common risks to financial security.

No man, woman, or child should go hungry, be cold or ill, lack shelter or otherwise be in need without the opportunity to get effective help.

Voluntary efforts by families, churches, and privately supported social agencies meet great areas of need.

Public assistance is the resource when other means of preventing financial need have failed.

In our complex national economy, with its parts interdependent, and as industry relocates and individuals and families move about when real or wishful job opportunities open up far from home, breadwinners are subject not only to the financial risks of death, disability and old age, but also, to economic risks and disasters beyond personal control.

Historically and by function, government has a responsibility for those whose income needs are not met by benefits from social or private insurance, nor by voluntary effort, nor who because of mental, physical, educational, or vocational deficiencies or membership in a minority group, must work in such low-paid occupa-

tions or so sporadically that they cannot earn enough to provide even the barest necessities for themselves and their families.

Public assistance payments should be adequate for health and well-being.

The Federal-State partnership in public assistance is valid and desirable; it is necessary that the National Government participate financially in public assistance; the flexible administration of public assistance rests properly with the States and localities.

It has been both a great responsibility and a great privilege to serve on the Council appointed to review and advise on an immense program involving the lives of many people and the dollars of many taxpayers. About 4 out of every 100 men, women, or children in the United States today, nearly 7 million, depend on public assistance for all or part of their income. The public assistance programs are administered by 58 State agencies and over 3,000 local agencies. Their cost in 1958 totaled \$3½ billions.

In carrying out our legislative mandate, we have concentrated on the most pressing immediate issues. Our recommendations are directed to present conditions and to the years immediately ahead rather than to the long-run future.

We acknowledge with thanks the work of the staff of the Department of Health, Education, and Welfare, particularly that of Miss Phoebe Bannister, executive secretary for the Advisory Council; Mr. Haskell Jacobs, research director; and Mrs. Ellen Perkins, special consultant, all of whom were detailed to work directly with the Council and contributed to our understanding of the problems considered; also the editorial assistance of Mrs. Edith M. Stern.

This report is published in the year of the 25th anniversary of the enactment of the Social Security Act. We disband impressed at once with the great progress of the public assistance programs over the past quarter of a century, and the serious gaps and inequities that still remain in coverage, in adequacy of public financial assistance and in availability of high quality services.

RECOMMENDATIONS

1. Extension of coverage of financially needy people

The Social Security Act should be amended to add a new provision for Federal grants-in-aid to States for the purpose of encouraging each State to furnish financial assistance and other services to financially needy persons regardless of the cause of need (including, for example, the unemployed, the underemployed, and the less seriously disabled).

Excluded specifically from the present public assistance categories are persons in nonmedical public institutions, patients in hospitals for tuberculosis or mental diseases, patients in medical institutions as a result of a diagnosis of tuberculosis or psychosis, and children in foster homes and in public or private institutions. These exclusions have been in the law for some time, and should be reevaluated and studied. In the meanwhile, the new legislation should retain them.¹

2. Options available to States

States should have freedom of choice in determining whether public assistance should be administered as a single program or as separate categorical programs. States should have the following options:

(a) Establishing, under a new title, a single category for financially needy persons to include all those covered under the existing programs and additional groups of needy persons not now covered, thereby eliminating the separate categories;

(b) Continuing the present categorical programs and adding a new category of general assistance under the new legislation;

(c) Retaining one or more of the present federally aided categories (for example, aid to the blind, which, in a few States, is administered by another State agency) and consolidating the remaining groups of needy persons in a single category; or

(d) Expanding the existing federally aided categories to include additional needy persons.²

3. Extension of aid to dependent children program

Under the existing provisions for aid to dependent children, Federal grants-in-aid are available to the States only for the assistance of children deprived of support or care because of the absence, death, or incapacity of one parent. As an ironical result, in many States, destitute children living with two able-bodied parents are actually penalized. On the premise that a hungry, ill-clothed child is as hungry and ill-clothed if he lives in an unbroken home as if he were orphaned or illegitimate, the program for aid to dependent children should be expanded to include any financially needy children living with any relative or relatives "in a place of residence maintained by one or more of such relatives as his or their own home."³

¹ See statement by Mr. MacDougall, pp. 36 and 37, and statement by Mr. Tobin, pp. 41 and 42.

² See statement by Mr. MacDougall, p. 37, and statement by Mr. Tobin, pp. 41 and 42.

³ See statement by Mr. MacDougall, pp. 37 and 38, and statement by Mr. Tobin, pp. 41 and 42.

4. Residence requirements

The great majority of States have residence requirements that, with much resultant hardship, exclude many financially needy persons from public assistance. Federal grants-in-aid should be available only for those public assistance programs imposing no residence requirement that debars any needy person in the State from help to which he would otherwise be entitled.⁴

5. Adequacy of assistance

(a) In view of the evidence of unmet need, steps should be taken by the Federal, State, and local governments toward assuring that assistance payments are at levels adequate for health and well-being.

(b) The Federal Government should exercise greater leadership in assuring that assistance payments are at levels adequate for health and well-being. It should promote greater public understanding as to what constitutes a level of living sufficient to maintain health and well-being, and the relationship of present payments to such level. As specific steps toward these ends, the Federal Government should exercise leadership in (1) developing up-to-date budget guides, for typical families, showing the items of living requirements and their costs necessary to sustain a level of living adequate for health and well-being; (2) making these budgets available for the guidance of States in evaluating their own budgets; (3) requiring periodic State reporting on budgets in use, and on actual individual payments in relation to these budgets; and (4) publishing periodically information on budgets in actual use in individual States and other data significant in indicating adequacy of appropriations and assistance payments in each State.⁵

6. Adequacy of medical care

(a) Since it appears that future public welfare costs may increase largely because of increasing medical care needs and costs, Federal and State governments, in cooperation with nongovernmental agencies, should take a more active role in stimulating more comprehensive medical services of high quality, including preventive services.

(b) Steps should be taken by the Federal, State, and local governments toward assuring that health services available to public assistance recipients are comprehensive in nature and of high quality. Improvements in medical care should not be accomplished by reducing money payments to recipients.

(c) The Federal Government should exercise greater leadership in stimulating and encouraging States to extend the scope and content and improve the quality of medical care for which assistance payments are made to or on behalf of needy individuals. As specific steps toward this end, we recommend Federal leadership in (1) developing guides to States for evaluating and moving toward improving their programs of medical care; (2) requiring periodic State reports on types and amounts of medical care for which assistance is paid; and (3) publishing periodically comparative State data secured from these reports and other information that will promote greater public understanding about needed medical care.

⁴ See statement by Mr. Burton, p. 34, and statement by Mr. MacDougall, p. 38.

⁵ See statement by Mr. MacDougall, pp. 38 and 39, and statement by Mr. Tobin, p. 42.

(d) The Federal agency should establish a broadly constituted medical care advisory committee to advise it on all aspects of medical care in public assistance.⁶

7. *Equitable treatment among categories*

Currently there is an often striking disproportion in payments in the same State among the public assistance programs; for example, old-age assistance payments tend almost everywhere to be relatively more adequate than aid to dependent children payments. States should be encouraged to apply the same assistance standards to all categories of needy persons, and to insure that similar treatment is accorded to persons in similar circumstances, regardless of the particular form of public assistance. By similar we do not, of course, mean identical. Obviously there are differences in the living requirements of, for example, a 66-year-old public assistance recipient living alone in a large industrial city and a 4-year-old child living with a rural family. But determination of the extent of need and the amount of assistance, including payments for medical care, can and should be realistically related to known facts about these differences, without partiality for one categorical group as compared to another.

8. *Community participation and use of voluntary agencies*

The Federal Government should encourage each State to (a) stimulate public interest and increase public knowledge of the role of public welfare programs; (b) establish appropriate advisory committees; (c) utilize services of voluntary agencies, when available and qualified, to serve recipients of public assistance; and (d) involve private as well as public organizations in studying problems of family disintegration and breakdown, and developing coordinated programs for strengthening family life.

9. *The Federal share*

Under present conditions, the proportionate Federal share of total public assistance expenditures, including general assistance, for the Nation as a whole, should not be less than is currently provided under the Social Security Amendments of 1958. For the present, the overall average Federal proportion for all States combined, for all public assistance expenditures, including general assistance, should fall between approximately 50 and 60 percent.⁷

10. *The Federal amount*

To enable the public assistance program to expand or contract sensitively with changing conditions, the amount of the Federal appropriation should remain open end; that is, the amount should be the total necessary to match State-local expenditures for public assistance under the formula specified for Federal financial participation, with no limiting predetermination of what the total shall be.

11. *The State share*

All States should exert fiscal effort for public assistance commensurate with their ability to do so in relation to their State-local resources.

⁶ See statement by Mr. MacDougall, p. 39.

⁷ See statement by Mr. Burton, p. 34, and statement by Mr. Tobin, p. 42.

The State should take steps to modify the financial burden on localities for public assistance if the availability and adequacy of assistance is adversely limited by local financing or resources.⁸

12. Equitable distribution of Federal funds

The specifications of the Federal formula determining the Federal proportion for individual States should recognize variations among States both in fiscal ability and incidence of need to a greater extent than the present formula does. The Federal percents for individual States should be related to interstate variations in fiscal ability and need for the total of assistance expenditures in which the Federal Government participates, instead of only part of such expenditures as under the present formula. The Federal provisions should specify limits to the range among States in Federal percents; that is, the minimum and maximum percents to be received.⁹

13. Federal maximums

(a) Maximum amounts of assistance expenditures in which the Federal Government will participate should continue to be specified, as now, in terms of an average amount of all assistance paid per recipient, including both money payments to recipients and payments to suppliers of medical care.

(b) The specified maximums should be high enough so as not to hamper State efforts to provide assistance at levels adequate for health and well-being and to meet rising costs of basic living requirements and medical care. Current Federal maximums should be raised accordingly.

(c) Any difference in Federal maximums specified for different groups of needy people (for example, per adult and per child) should be reasonably related to available knowledge about differences among the groups in the cost and content of their living requirements. The current Federal maximums for aid to dependent children do not meet this criterion, and should be raised to an equitable relationship with the other programs.

14. Single Federal matching formula

To promote equitable standards among the different categories, a single formula for Federal financial participation should be used, to apply to all categories of assistance and to all assistance expenditures.

15. Transition period

In the event that a revised formula would result in reduced Federal funds for any State, a transition period should be provided to permit States to adjust to such changes, either by postponing the effective date of revised legislation or by building into the formula a device for gradual reduction in the Federal share over a period of years.¹⁰

16. Administrative costs

The Federal share of administrative costs for public assistance should remain at 50 percent for the Nation as a whole, and for each State.

⁸ See statement by Mr. MacDougall, pp. 39 and 40.

⁹ See statement by Mr. MacDougall, p. 40.

¹⁰ See statement by Mr. MacDougall, p. 40.

17. Training and personnel

(a) In order to improve administration, promote social rehabilitation, and help prevent dependency, States should increase the numbers and raise the qualifications of personnel administering the public assistance programs.

(b) To assist States in increasing the number of their qualified staff, the existing Federal matching provisions for educational leave programs should be amended to provide 100 percent Federal funds for training of public welfare personnel, as is provided in other specialized fields.

(c) As an aid to increasing generally the present short supply of social workers, it is recommended that, in addition to grants for other groups, 100 percent Federal funds be made available to accredited graduate schools of social work for the training of persons in such fields as strengthening family life and caring for the needs of the aging.

(d) States should take such action as is necessary to assure that the salaries of public welfare personnel are established and maintained at levels required to obtain and retain competent personnel, in order to provide the services required by public welfare recipients.¹¹

18. Strengthening family life

(a) Funds authorized by the Congress under the Social Security Amendments of 1956 should be appropriated for grants for research and demonstration projects such as those relating to the prevention and reduction of dependency, coordination between private and public agencies, and improvements in social security and related programs, and research leading to strengthening family life.

(b) We recommend the establishment of a national institute which would have the responsibility for studies and demonstration programs leading to strengthening of family life.¹²

19. Strengthening social insurance

The Council supports the generally accepted principle underlying the American social security system that the social insurance programs should provide the primary defense against the common risks to economic security. The Council regards the strengthening of the social insurance programs as an important objective of public policy. Because of the close relation between any extension or improvement in social insurance and the extent of need for public assistance, the Council has taken note of the major proposals for changes in the old-age, survivors, and disability insurance program and in the State unemployment insurance programs that have been advanced in recent years. It has not attempted to resolve the issues relating to all of these proposals; it has, however, reached conclusions regarding some that would have an immediate impact on public assistance. As desirable steps, the Council recommends the following:

(a) Coverage under the contributory wage-related program of old-age, survivors, and disability insurance should be extended to include as many additional workers as possible not now covered under any public retirement system; in particular, the program should be

¹¹ See statement by Mr. MacDougall, pp. 40 and 41.

¹² See statement by Mr. Tobin, p. 42, and statement by Dr. Villaume, p. 43.

extended to such additional farm and household workers as it is feasible to cover.

(b) The proper Federal authorities should take all feasible measures to assure that everyone who is covered by law under the old-age, survivors, and disability insurance program does in fact have his covered earnings reported and recorded to his credit, so that he will receive the full amount of benefits to which he is entitled. Additional effort in this respect seems to be particularly necessary for migratory farm workers.

(c) The provision that disability insurance benefits can be paid under the old-age, survivors, and disability insurance program only to people age 50 and over should be eliminated; benefits should be paid to qualified disabled workers regardless of age.

(d) Benefit levels under the old-age, survivors, and disability insurance program should be adequate and kept in line with the growth of the economy; to this end, increases in wage and price levels should be appropriately reflected both in benefit amounts and in the maximum amount of earnings taxable and creditable toward benefits.

(e) The Federal-State unemployment compensation system should be extended to improve its protection of the unemployed.

(f) Continued attention should be given to strengthening the contributory wage-related social insurance programs with particular view toward reducing need for public assistance.

20. Periodic review of program

The status of the public assistance programs, including their adequacy in promoting health and well-being, the formula for Federal financial participation in public assistance costs, and their relationship to social insurance programs should be reviewed and reevaluated by an advisory council at least once every 5 years. The Social Security Act should be amended to authorize such a council.

FINDINGS

1. Extension of coverage of financially needy people

The Social Security Act should be amended to add a new provision for Federal grants-in-aid to States for the purpose of encouraging each State to furnish financial assistance and other services to financially needy persons regardless of the cause of need (including for example, the unemployed, the underemployed, and the less seriously disabled).

Excluded specifically from the present public assistance categories are persons in nonmedical public institutions, patients in hospitals for tuberculosis or mental diseases, patients in medical institutions as a result of a diagnosis of tuberculosis or psychosis, and children in foster homes and in public or private institutions. These exclusions have been in the law for some time, and should be reevaluated and studied. In the meanwhile, the new legislation should retain them.

Despite the scope and cost of current public assistance programs, uncounted numbers of financially needy families and individuals still can get little or no public assistance help. They may fall between categories of the four federally aided programs, hence be ineligible for any of them. They may because of limited education or job skills or discrimination not be able to earn enough to live decently and healthfully, yet because they are employed or employable, be debarred from recourse to tax-supported assistance. They may live in a State or locality which cannot or does not provide funds for taking care of them. They may be ineligible for social insurance, or the social insurance benefits they receive are too small to maintain them.

Five different programs meet needs for public assistance today. All have the same broad purposes and are often administered by the same agencies and personnel in the States and localities, but differ in the needy groups they serve and how they are financed. Four, commonly called the special (or categorical) types of public assistance—old-age assistance, aid to dependent children, aid to the blind, and aid to the permanently and totally disabled—are financed from Federal, State, and local funds. Although the administration of the special public assistance programs is left to the States, which have considerable latitude under the Social Security Act in determining the nature and scope, Federal grants-in-aid are conditional on meeting certain requirements, including certain minimum conditions of eligibility.

As a result, since the minimum legal age for receiving old-age assistance is 65, a State, for example, can get no Federal money for helping a desperately needy 64-year-old. Nor is any Federal aid available for a needy 39-year-old woman, no longer eligible for assistance under the aid to dependent children program because her young-

est child has passed 18, until she reaches her 65th birthday and can come under old-age assistance. As another example, although a family breadwinner may be so incapacitated by a physical or mental illness that he has been unable to work for several years, his State can get no Federal money for his care because he does not meet the statutory requirement of being "permanently and totally disabled."

A fifth kind of public assistance program, general assistance, is supposed to cover needy people not covered by the other four programs. No Federal funds are now available for general assistance; only State and/or local funds are used. Understandably, a majority of States place the main emphasis on developing and improving the programs for which Federal funds are available, so by and large general assistance receives less adequate support.

General assistance is in a period—long since passed for the special types of public assistance—of transition from the traditional system of complete local responsibility for both financing and administration of assistance to the needy, to the assumption of some State responsibility. In 18 States, there is no State administrative responsibility for general assistance, and the traditional local poor relief authorities continue to administer the programs and to provide almost all of the financing. In eight others, the State's supervisory and fiscal responsibility is limited by law to specified situations. In the remaining 27, the States assume a State responsibility for general assistance relatively comparable to that exercised for the federally aided programs.

Obviously, the very States and localities with the most people in need are likely to be those least able to provide financial help. Even where needy individuals and families are not disqualified from local general assistance for one reason or another, and are provided with some tax-supported income, more often than not by any standard it is insufficient. In the majority of States, average payments per recipient of general assistance fall well below even the most generally meager payments in any of the federally aided programs—aid to dependent children. Strikingly, in December 1958, the average amount per general assistance case (averaging three persons) was \$68.88 per month—about the same as what is paid per person in the federally aided program for the blind.

In the light of the facts, we believe that a new provision in the Social Security Act for Federal participation in general assistance will give impetus to the States to develop their general assistance programs. Inasmuch as the term "general assistance" has such a variety of definitions in the States, we believe that the new title should be couched in broad terms, to permit inclusion of any person found by the States to be in need, except for those specifically excluded in the public assistance titles of the Social Security Act.

These exclusions have an historical basis. One of the original conditions for a State's receiving Federal aid for its public assistance program was that funds be used to maintain individuals in their own homes rather than in institutions. The objectives of the exclusions were excellent; they brought about an exodus of old people from county almshouses and saved children from going into orphanages. Today, the very wording of the exclusions is dated. But since we do not have the data to act with respect to them, we recommend further study of the current validity of the exclusions.

In recommending Federal grants-in-aid to the States for general assistance, we do not intend that a general assistance program should be considered as a preferred method of dealing with large-scale unemployment if it should again occur. Neither should general assistance be a substitute for unemployment insurance. General assistance would serve the purpose of providing an underpinning for the other social measures by aiding those for whom no other means of support is available.¹³

2. *Options available to States*

States should have freedom of choice in determining whether public assistance should be administered as a single program or as separate categorical programs. States should have the following options:

(a) Establishing, under a new title, a single category for financially needy persons to include all those covered under the existing programs and additional groups of needy persons not now covered, thereby eliminating the separate categories;

(b) Continuing the present categorical programs and adding a new category of general assistance under the new legislation;

(c) Retaining one or more of the present federally aided categories (for example, aid to the blind, which, in a few States, is administered by another State agency) and consolidating the remaining groups of needy persons in a single category; or

(d) Expanding the existing federally aided categories to include additional needy persons.

The recommended new title, providing for Federal aid for general assistance, should represent an offer of help from the National Government to the States, which they are free to accept or not.

States are in various stages of development in their public assistance programs and, therefore, we recognize the desirability of offering them as much flexibility and as many choices as possible if they decide, with Federal aid, to give assistance to a broader group of needy people than is now possible.

For States which want to take advantage of the Federal offer, the same types of assistance would be authorized as under the present federally aided categories: money payments to the recipients or, where young children are concerned, on their behalf to relatives, and direct payments to suppliers of medical care such as physicians, hospitals, and nursing homes.

The options we recommend are designed to allow the States to organize and reorganize their public assistance programs however they see fit. We hope, however, that under such administrative freedom, the States will want to extend assistance to groups of needy people not now eligible under present public assistance programs, and that they will do away with restrictions unrelated to need.¹⁴

3. *Extension of aid to dependent children program*

Under the existing provisions for aid to dependent children, Federal grants-in-aid are available to the States only for the assistance of children deprived of support or care because of the

¹³ See statement by Mr. MacDougall, pp. 36 and 37, and statement by Mr. Tobin, pp. 41 and 42.

¹⁴ See statement by Mr. MacDougall, p. 37, and statement by Mr. Tobin, pp. 41 and 42.

absence, death, or incapacity of one parent. As an ironical result in many States, destitute children living with two able-bodied parents are actually penalized. On the premise that a hungry, ill-clothed child is as hungry and ill-clothed if he lives in an unbroken home as if he were orphaned or illegitimate, the program for aid to dependent children should be expanded to include any financially needy children living with any relative or relatives "in a place of residence maintained by one or more of such relatives as his or their own home."

In a number of areas in the Nation, the aid to dependent children program has been severely criticized as encouraging unstable family life and unmarried parenthood. We cannot embrace this viewpoint.

Births out of wedlock have been increasing in this country, both in absolute numbers and as a proportion of all births, and so have the number of desertions. These increases show up in the public assistance program as well as in society generally. There is some difference of opinion as to whether the program encourages desertion. There are instances of fathers who are unemployed and desert because they see no other way to get their hungry children fed. We do not share the view that a significant number of women deliberately proceed to have babies just to get the meager amounts allowed for their support (see findings for recommendation 7). Rather than the aid to dependent children program's being a major cause of social evils, we regard it as a reflection of their existence, just as public assistance programs as a whole mirror, not cause, poverty that results from inadequate educational programs, poor or unavailable vocational training, insufficient opportunities for minority groups, uncorrected physical disabilities, weaknesses in family life, and other gaps and inadequacies of our social and economic institutions.

We are opposed to public assistance provisions that seem to put a premium on broken homes. Our deep concern is for needy children, purely as children. We want to encourage and preserve family life. Eliminating the negative eligibility factors that now qualify a child for assistance—that is, a parent must have deserted or died or be incapacitated—will, we believe, strengthen the program positively by helping families to stay together and indeed, even serve to prevent the disintegration of homes.

This does not mean that we recommend discontinuing aid to dependent children now eligible for it. Our recommendation is to expand the program, so that all needy children outside foster homes and institutions, whether they be legitimate or illegitimate, orphaned or half-orphaned, victims of a deserting parent, or members of a stable healthy family, qualify under the category.

Not only are we concerned over present eligibility requirements, but also over some States' decisions to exclude children from public assistance on grounds of their parents' behavior. We believe that the primary criterion for financial assistance to a needy child should be his need. Whatever may be the steps necessary to correct the social evils reflected in the aid to dependent children program, we feel strongly that no more should a needy child be punished for his parents' actions, than he should be deprived of financial aid because his able-bodied mother and father lawfully and lovingly together try to maintain a home for him.¹⁵

¹⁵ See statement by Mr. MacDougall, pp. 37 and 38 and statement by Mr. Tobin, pp. 41 and 42.

4. *Residence requirements*

The great majority of States have residence requirements that, with much resultant hardship, exclude many financially needy persons from public assistance. Federal grants-in-aid should be available only for those public assistance programs imposing no residence requirement that debars any needy person in the State from help to which he would otherwise be entitled.

When the Social Security Act was enacted in 1935, the States were permitted the option of having residence requirements. If they chose to have them, the law prohibited requiring longer residence than set maximums. Today, in the three adult categories, the States may not require residence for more than 5 years of the 9 preceding application for public assistance. In the aid to dependent children program, they may not require more than 1-year's residence of the parent or other relative who is the child's caretaker and receives money on his behalf.

For some years there was a trend toward the liberalization of residence requirements in the States. Since 1950, however, very little has been done to relax them. Today only a few States provide that assistance be given without regard to residence. The remainder have varying requirements up to the maximums permitted by the Social Security Act. Many States take no responsibility for the nonresident group.

We think it is time for a change in the matter of State-determined residence requirements for eligibility under the federally aided public assistance programs. For one thing, Federal financial participation has grown considerably since 1935. For another, beginning with World War II, State to State migration has greatly increased.

Free movement of people is encouraged by our economic system, which enables the individual to improve his own situation. Many persons move to seek employment. Others, especially older men and women, move to be near relatives or for reasons of health. The head of a dependent family, or a feeble old person, may find himself stranded far away from home, destitute and resourceless, when something happens that through no fault of his own dashes his hope of employment or changes his living plans. The 1959 Governors' Conference recognized the need for change in the present law by recommending that the residence requirements permitted under the Federal act be reduced to 1 year.

Most of us regard residence requirements as an anachronism, and see no reason why a needy person should be precluded from getting essential aid solely because he is caught in the technicalities of residence laws. We find no evidence that people move solely to qualify for public assistance. Although in general we firmly uphold the States' rights to have wide latitude in determining the nature and scope of their public assistance programs, we think that State residence requirements are inconsistent with the high degree of national interest reflected by the extent of Federal participation in the public assistance programs.¹⁶

5. *Adequacy of assistance*

(a) In view of the evidence of unmet need, steps should be taken by the Federal, State, and local governments toward

¹⁶ See statement by Mr. Burton, p. 34, and statement by Mr. MacDougall, p. 38.

assuring that assistance payments are at levels adequate for health and well-being.

(b) The Federal Government should exercise greater leadership in assuring that assistance payments are at levels adequate for health and well-being. It should promote greater public understanding as to what constitutes a level of living sufficient to maintain health and well-being, and the relationship of present payments to such level. As specific steps toward these ends, the Federal Government should exercise leadership in (1) developing up-to-date budget guides, for typical families, showing the items of living requirements and their costs necessary to sustain a level of living adequate for health and well-being; (2) making these budgets available for the guidance of States in evaluating their own budgets; (3) requiring periodic State reporting on budgets in use, and on actual individual payments in relation to these budgets; and (4) publishing periodically information on budgets in actual use in individual States and other data significant in indicating adequacy of appropriations and assistance payments in each State.

Not only is there great variation among the States in their concept of what constitutes adequacy in public assistance, but also in the way they meet the standards they themselves have set. The Social Security Act leaves to each State the responsibility for determining need. But less than half the States fully meet need by their own standards for any of the federally aided categories. The rest do not. They may impose maximums on the monthly amount of assistance any individual or family may get, or by policy meet only a specified proportion of need, or both.

State policies and practices concerning evaluation of recipients' resources sometimes result in some real need not being met. Assumed resources may actually be nonexistent; this is especially true of the assumption that some income will be forthcoming from relatives even though it may fail to materialize. Or resources may be figured on such a pinchpenny basis that initiative may be discouraged.

For a variety of reasons, payments are often very low. Too often poverty is perpetuated, and people's efforts to maintain a constructive life and move toward self-support are thwarted.

In reaching a conclusion as to inadequacies in present payments we considered various available types of evidence: analyses of practices in regard to the determination of need; actual payments by States as related to their own standards of need; the size of the cash payments as related to the cost of necessities; and the experience of informed individuals. Special estimates were also prepared by the staff to assist us in evaluating the total financial extent of unmet need. Relevant material will be found in appendix B.

The estimates suggest that the amount of unmet need in the old-age assistance and aid to dependent children programs range from about one-half billion dollars to about \$1 billion. We are impressed by the magnitude and seriousness of the unmet need the estimates indicate. To meet the need would require an increase of almost one-fifth to more than one-third in current old-age assistance—aid to dependent children costs.

The responsibility for providing adequate assistance is shared between Federal and State governments. The Federal Government

does not set required standards for determining need, and we are not proposing that it do so. We do believe, however, that the Federal Government should exercise greater leadership in assuring necessary State action to provide adequate assistance.

We have recommended extending coverage to additional groups of needy adults and children (recommendations 1 and 3). We would not, however, want this to be effected by reducing assistance to the present categorical groups. Already there is too much unmet need among them.

We recommend certain specific steps that the Federal Government should take toward promoting greater public understanding as to what constitutes a level of living sufficient to maintain health and well-being. These are enumerated in our recommendation.

We regret that except for minimum food requirements, there is no comprehensive national standard of living compatible with health and well-being, either in terms of essential items or their quantity, quality, and cost. Such a standard is not impracticable, for the actual cost of living throughout the United States varies much less than most people think (appendix B). The observable differences in the way different groups in different areas live are more the product of regional or local attitudes and culture than of significant price differences for basic items.

More current, scientific budgets like the U.S. Department of Agriculture's for one item, nationally developed and available to the States, would, we believe, have a far-flung effect in raising standards of assistance in States where they are at a low level.

We believe, therefore, that the Federal agency should develop essential budget guides and publish periodic information about the practices of individual States so that the citizens of each State and of the Nation may be in a position to judge the extent to which the assistance programs are meeting their objectives. In this way there will be public understanding and support of additional legislative and appropriate actions that may be required.

Public assistance alone cannot overcome poverty in situations where opportunities to earn are chronically inadequate for large numbers of people. Other types of action are required which will enable families with employable members to be self-supporting. Such action may include the development of additional educational opportunities, promotion of additional job opportunities, economic development programs for both industrial and farm areas, particularly distressed areas, and programs which will assist in improving conditions of migratory workers.

So long as public assistance continues at substandard levels in areas where large groups are living in poverty, this should be made known so the Nation may utilize its full resources to help overcome such conditions.

Pertinent also to the question of adequacy are the variations of eligibility requirements among the States. We disapprove eligibility requirements that are either ultraliberal or ultrarestrictive.

The absence of more clearly defined eligibility standards is a serious defect in the entire federally supported welfare program. The wide range among the States in standards of (a) support from legally responsible relatives; (b) property and income exemptions; (c) purposes to which income may be applied; (d) disposition of insurance benefits

including those from old-age, survivors, and disability insurance; and (e) recoveries and assignment of personal property and real estate goes beyond a reasonable latitude.

We recognize the difficulty of achieving greater uniformity of eligibility conditions. We suggest, however, that the Federal agency continue to examine present practices and to evaluate them in terms of their effect upon adequacy and to make this information available to interested groups.¹⁷

6. *Adequacy of medical care*

(a) Since it appears that future public welfare costs may increase largely because of increasing medical care needs and costs, Federal and State governments, in cooperation with nongovernmental agencies, should take a more active role in stimulating more comprehensive medical services of high quality, including preventive services.

(b) Steps should be taken by the Federal, State, and local governments toward assuring that health services available to public assistance recipients are comprehensive in nature and of high quality. Improvements in medical care should not be accomplished by reducing money payments to recipients.

(c) The Federal Government should exercise greater leadership in stimulating and encouraging States to extend the scope and content and improve the quality of medical care for which assistance payments are made to or on behalf of needy individuals. As specific steps toward this end, we recommend Federal leadership in (1) developing guides to States for evaluating and moving toward improving their programs of medical care; (2) requiring periodic State reports on types and amounts of medical care for which assistance is paid; and (3) publishing periodically comparative State data secured from these reports and other information that will promote greater public understanding about needed medical care.

(d) The Federal agency should establish a broadly constituted medical care advisory committee to advise it on all aspects of medical care in public assistance.

We are concerned by the wide incidence of medical need in the public assistance group. By its very nature, it includes those most in need of medical care, like the disabled, the aged, and children from disorganized families, who are least able to pay for it.

The original Social Security Act specified that all payments must be made to recipients or their legal guardians only in money. This was to protect needy people's right and freedom to manage their own affairs, like other members of the community. But primarily for practical and administrative reasons, since 1950 financial assistance for medical needs may be paid either to the recipient or to the supplier of medical care, such as physician, hospital, or nursing home. Direct payments to suppliers of medical care are often called vendor medical payments.

Differences among States in the amounts and kinds of medical care provided through public assistance programs indicate glaring defects in the way medical needs are being met in some places. Not many

¹⁷ See statement by Mr. MacDougall, pp. 38 and 39, and statement by Mr. Tobin, p. 42.

States provide assistance for comprehensive medical care. Some pay only for a single item. In a State that pays only for hospitalization, a needy diabetic on public assistance, for example, may not be helped to get insulin. But if, as a result, his diabetes worsens and his leg becomes gangrenous and must be amputated, public assistance will foot the hospital bill.

Another indication of unmet medical need is the small average amount spent per recipient of public assistance for vendor medical payments which, in most States, represent the largest share of assistance expenditures for medical care. During March 1959, among recipients in the categorical programs, nationwide, the average expenditures for the permanently and totally disabled were \$9.75, for old people \$8.15, for the blind \$4.96, and for dependent children \$1.69. Comparable averages for general assistance are not available, though it is known that in some areas they are only a few cents. To be sure, the known averages are lowered by the inclusion of all those public assistance recipients who do not get any assistance for medical care. But in view of the fact that, nevertheless, they may badly need it in one form or another, and in comparison with what anyone knows from personal experience about the cost of hospitalization, nursing home care, drugs and physicians' services, the sums expended show up as pitifully insufficient. People in metropolitan areas think of medical help as available from many sources and without charge to needy persons. But in most communities outside sizable urban areas, the public assistance agency is the only resource—public or private—to which needy people can turn for help beyond what is available from their families and churches.

The Federal Government should exercise greater leadership in stimulating and encouraging States to extend the scope and content and improve the quality of medical care for which assistance payments are made to or on behalf of needy individuals. This involves many areas of medical care and service. We think that it is especially important to move rapidly toward great improvement in the quality of care in nursing homes.

The guides proposed in our recommendation could be used in evaluating State programs and in helping the States to establish and maintain medical services adequate in amount and kind. To this end, there also ought to be increased medical staffing for the Bureau of Public Assistance.

The increasing costs brought about by new medical discoveries and methods tend to increase the costs of public welfare. But the "comprehensive medical services of high quality, including preventive services" which we recommend, are likely to be a long-run economy. Low income and poor health work in a vicious circle. Malnutrition, untreated physical handicaps, debilitating chronic conditions, and the like, do not make for vigorous self-supporting people. In many cases, families who have lived even well above assistance levels may be forced by prolonged illness and unusually heavy medical expenses to use up their assets, and eventually turn to assistance. Preventive medical care, particularly geriatric, may keep old people independent and ambulant who, without it, are headed toward being bedridden.¹⁸

¹⁸ See statement by Mr. MacDougall, p. 39.

7. *Equitable treatment among categories*

Currently there is an often striking disproportion in payments in the same State among the public assistance programs; for example, old-age assistance payments tend almost everywhere to be relatively more adequate than aid to dependent children payments. States should be encouraged to apply the same assistance standards to all categories of needy persons, and to insure that similar treatment is accorded to persons in similar circumstances, regardless of the particular form of public assistance. By similar we do not, of course, mean identical. Obviously there are differences in the living requirements of, for example, a 66-year-old public assistance recipient living alone in a large industrial city and a 4-year-old child living with a rural family. But determination of the extent of need and the amount of assistance including payments for medical care, can and should be realistically related to known facts about these differences, without partiality for one categorical group as compared to another.

All 50 States, the District of Columbia, Puerto Rico, the Virgin Islands, and Guam administer programs with Federal aid for old-age assistance, aid to dependent children, and aid to the blind. All but 5 of the States, among the 54 jurisdictions, have federally aided programs for the permanently and totally disabled.

We have already pointed out in the findings for recommendation 1, how general assistance which is not now federally aided, is the most inadequate of the public assistance programs. But even among the federally aided categories of public assistance, aid to dependent children is downgraded in comparison to the others. The average monthly payments, September 1959, were about the same for adults—\$69.18 for the blind, \$64.79 for the aged, and \$63.66 for the disabled. But the national average amount paid per recipient of aid to dependent children, in the same month, was only \$28.58—below half the lowest national average of the adult categories.

Some of these great differences may be caused by the relatively larger incidence of exceptional needs, especially for medical care, among the aged, blind, and disabled. The lower Federal maximums—currently \$30 per recipient per month for aid to dependent children against \$65 per recipient per month in the adult categories—have undoubtedly also influenced State programs. Another probable cause of financial partiality for adult recipients of assistance—albeit with some exceptions, is that they have a voice in community affairs; many, indeed, were and may still be highly articulate and influential citizens. Dependent children, on the other hand, not only cannot speak for themselves, but by and large also come from such a low socioeconomic group that their relatives rarely speak for them.

We have reason to believe that even regardless of other causes for their plight, dependent children are the stepchildren of public assistance because States set the lowest assistance standards among the categories for their maintenance, medical care, or unusual needs. Psychological, emotional, and moralistic factors, whether they be overtly expressed or rationalized, generally underlie the discrimination. We are convinced it would lessen substantially with the adoption of our recommendation 3. But in any case, opposed to inequities among the federally aided categories, we favor working toward a single State assistance standard of meeting needs for them all.

We gave consideration also to another kind of inequity among categories. Only in the aid to the blind program does Federal law require income to be disregarded in the determination of need and the amount of assistance payment. In the other categories this is not permitted.

From time to time there have been proposals—particularly in the aid to dependent children program—that recipients be allowed to retain a portion of their earnings for their personal use. The “pro” arguments are that a child would not only be helped to learn to hold a job and to take adult responsibility for managing money but also get satisfaction from his work; that encouraging both children and adults to work is consistent with the objective of self-support and self-care.

The “con” arguments are that disregarding income is contrary to the basic concept that public assistance is a means test program supplemental to the applicant’s other resources; that it tends to confuse public assistance with social insurance; that it discriminates against persons without earnings, usually the elderly and the sick, who need the most help; and that it might well delay any substantial improvement in a State’s standards of assistance. Where children specifically are concerned, there is danger that virtually forcing them into employment tends to depress wages and working conditions, for children are usually hired because they are cheap and will put up with conditions adults would not accept; that they are likely to be employed when unemployed adults are available; and that bright youngsters, perhaps potential scientists, might become bogged down in blind-alley jobs.

We frankly see no clear-cut answer to the proposals for disregarding income. We make no specific recommendation on the subject. Actual data on the practical value, if any, of exempting a limited amount of earned income in the aid to dependent children program would be desirable. Hence some of us think that for a specified trial period—say 5 years—the Federal law ought to be amended to give States the option of such an exemption, and that the experience thus acquired should be evaluated by the Bureau of Public Assistance in terms of incentives to self-support, strengthening family life, and the principle of similar treatment of needy people in similar circumstances.

8. Community participation and use of voluntary agencies

The Federal Government should encourage each State to (a) stimulate public interest and increase public knowledge of the role of public welfare programs; (b) establish appropriate advisory committees; (c) utilize services of voluntary agencies, when available and qualified, to serve recipients of public assistance; and (d) involve private as well as public organizations in studying problems of family disintegration and breakdown, and developing coordinated programs for strengthening family life.

A State’s fiscal capacity is by no means the only factor in determining its standard of assistance or the extent of unmet need among assistance recipients. Public opinion is a potent force, and State and local attitudes toward the needy, the causes of their need, and what their minimum standard of living ought to be, make for an adequate or inadequate public assistance program.

Citizens of a democracy, in order to be intelligently effective, must be well informed. It is our impression that too many of our citizens

either are ignorant of our vast public assistance program or have mistaken ideas about it. The more the community becomes part of the public assistance program the better it will be.

Toward this end we suggest that the community be kept informed on facts, on figures, and on needs in human terms, through the usual channels of written and spoken communication; local newspapers, local radio and television, and speakers at meetings of church groups and civic and social clubs. Voluntary workers used at the public assistance agencies not only can perform many needed services that consume precious staff time but also can become a liaison with the community. Appropriate advisory committees, composed of such representative individuals as physicians, clergymen, educators, and business people can further knit an informed community with a just and merciful public assistance program.

Private as well as public organizations should be, we feel, an integral part of a comprehensive plan for helping the needy. From the beginning of settlement in this country, relatives, friends, neighbors, religious groups, and privately organized agencies have voluntarily helped the needy and otherwise unfortunate.

The number of voluntary agencies in large urban centers increased during the 20th century. However, since they were overwhelmed by the financial demands of the needy during the depression of the thirties, and since the provision of tax-supported financial assistance to the needy by the 1935 Social Security Act, their primary function has not been to give money. It is, rather, to render a wide variety of services.

A few examples are counseling on personal problems and family situations; vocational guidance; foster home care for children or old people; group living facilities for those who cannot live alone; adoption services; day care centers for children of working mothers; and homemaker services that help children or old people remain in their own homes instead of going to institutions.

We are aware that voluntary groups and agencies and public agencies often work together now. The more systematic and consistent this involvement becomes, we believe, the broader and deeper, in human terms, the public assistance program can be. We are impressed with the fact that public assistance programs deal with people whose problem is not poverty alone. They have a complex of problems, aggravated in each instance by poverty.

Public assistance agencies consider it part of their job to help people find a place to live, stay in touch with relatives, keep their children in school, and generally to help them with day-to-day practical problems. Indeed, in any but sizable urban areas they are the only secular agencies giving such services to the needy. But almost everywhere public assistance staff are overburdened with too many cases to work thoroughly with each, and almost nowhere are there public assistance agencies with sufficient staff adequately trained to deal with the really difficult problems that recipients face.

Voluntary agencies also have their limitations of staff and financing. Thus, the job to be done is greater than the resources of both combined. Coordinate planning of both agencies in a community is essential if their limited resources are to be most effectively used. In some instances the needs of people can best be met by referral of the individual to an appropriate agency—voluntary or public.

Authorities agree that many needs are not met by any agency. Both public and voluntary agencies should study the community problems, particularly those related to family disintegration and breakdown, and work closely together in developing programs for strengthening family life. The wholehearted partnership of public and private agencies is the best assurance of a job well done.

9. The Federal share

Under present conditions, the proportionate Federal share of total public assistance expenditures, including general assistance, for the Nation as a whole, should not be less than is currently provided under the Social Security Amendments of 1958. For the present, the overall average Federal proportion for all States combined, for all public assistance expenditures, including general assistance, should fall between approximately 50 and 60 percent.

Before the 1946 amendments to the Social Security Act, the Federal Government paid about 40 percent of all public assistance payments, including general assistance. Amendments in 1958—the seventh increasing the Federal share of public assistance costs—brought Federal funds for January–June 1959 to 52 percent.

Although we are aware of the concern of President Eisenhower and others over the continuous rise of the Federal proportion of public assistance funds over the years, we are recommending that the proportionate Federal share of total public assistance expenditures, including general assistance (see recommendation 1) be no less than is currently provided.

One of the reasons for our recommendation is the magnitude of the unmet need we discovered (see recommendation 5) and the realization that where it is concentrated may be the very place where it is least likely to be met by the State or locality. That inadequacies tend to be most serious in States with low fiscal capacity is obvious. But it is not so obvious that such States are likely to spend a relatively high proportion of their funds for public services in general. If public assistance is the most inadequately financed among these services, it may be because of some unwillingness to spend State-local money upon it. But more often a financially straitened State if it wants to improve the adequacy of its assistance payments, is faced with the alternative of dangerously weakening its other public services. We believe that the National Government should assume that share of assistance costs which, demonstrably, State and local governments and private sources cannot meet.

Throughout the Nation, many States are burdened today by heavy fiscal responsibilities. State expenditures have risen steeply and so have State debts. From 1948 to 1958, State and local tax collections increased from \$13.3 to about \$30.5 billion, and their indebtedness rose from \$19 to \$57 billion. Current political realities do not promise a sufficiently rapid increase in State appropriations to make possible any immediate reduction in the Federal share for public assistance.

Furthermore, we do not find the Federal share of public assistance programs unduly high in relation to the Federal share of other Federal-State programs. For example, the Federal share of vocational rehabilitation averages slightly more than 60 percent for the Nation as a whole.

The facts available to us did not indicate any possibility, under present conditions, of any sizable decreases in the need for public assistance. Hence we have no evidence that might warrant a decrease in Federal responsibility for them. Indeed, most social and economic factors indicate a probable increase in total costs of public assistance; the growing numbers of the aged and of children, rising living costs especially for medical care, family disintegration in our complex urban culture and increasing displacement of workers by automation and other changes in industrial and agricultural methods.

We have considered the concern expressed in some quarters, that the present degree of Federal responsibility assumed for public assistance, endangers the authority or responsibility of State-local governments. We have found no convincing evidence to support this viewpoint.

Our recommendation that the overall Federal proportion for all States combined, for all public assistance expenditures, including general assistance, should fall between approximately 50 and 60 percent for the Nation as a whole, is derived from the figures that the Federal percent nationally for all assistance expenditures, including general assistance, for January-June 1959 was 52 percent, for the federally aided programs by themselves, 59.4 percent. This, however, was but a single period. The overall Federal percent for the Nation as a whole is somewhat variable and is likely to remain so, since it results from and reflects variations among the several programs and among the States from one period to another.¹⁹

10. *The Federal amount*

To enable the public assistance program to expand or contract sensitively with changing conditions, the amount of the Federal appropriation should remain "open end"; that is, the amount should be the total necessary to match State-local expenditures for public assistance under the formula specified for Federal financial participation, with no limiting predetermination of what the total shall be.

Our recommendation that the Federal amount be "open end" is based on the thinking expressed in the last paragraph under the preceding recommendation, and on our ideas stated in paragraph 4 under recommendation 2, that Federal financial participation should not hamper the States' flexible use of assistance funds. Any limiting predetermination of amount in a changing economy like ours might seriously damage the effectiveness of public assistance programs.

11. *The State share*

All States should exert fiscal effort for public assistance commensurate with their ability to do so in relation to their State-local resources.

The States should take steps to modify the financial burden on localities for public assistance if the availability and adequacy of assistance is adversely limited by local financing or resources. "Fiscal effort" is the proportion of total income in a State that is used for public assistance. No satisfactory measure of "equitable" fiscal effort among States now exists. Albeit we appreciate that the

¹⁹ See statement by Mr. Burton, p. 34; statement by Mrs. Ellickson, pp. 34 and 35 and statement by Mr. Tobin, p. 42.

development of one would be a longtime, difficult job, we believe that studies should be undertaken toward this end. A measure of equitable fiscal effort among States should take into account income that can reasonably be expected to go into public services, the need for public assistance in the State, and the relationship between public assistance and a desirable balance of maintaining other public services. Such a measure would not only give a realistic basis for assisting and stimulating each State to bear its full and just share of public assistance costs but would also be useful in fiscal considerations of other governmental functions.

At present a concept of "equal" fiscal effort is generally used. Equal fiscal effort would be achieved if all States drew off into public assistance the same proportion of personal income. Naturally, the amount of revenue or expenditures per capita would vary as per capita income varies among the States.

Current fiscal effort among the States, far from being "equal," does not even correlate with income. As a rule, the States with per capita income at or above the national median devote a smaller proportion of total income to public revenue than the States with income lower than median; because of their greater resources, they are able to provide more adequate services, yet use less of their citizens' personal income.

Although, as we pointed out in paragraph 3 of the findings for recommendation 9, some of the lowest-income States make the greatest fiscal effort in their public services, albeit not for public assistance, the fact remains that the most unmet need generally occurs in these States. Clearly, when a considerable portion of a State's population needs financial help, a smaller proportion are taxpayers who can provide that help. For several low-income States, average personal income is actually less than some high-income States' average public assistance payments per recipient.

Despite the fact, then, that many of the lowest income States not only use inadequate living standards to determine need for public assistance, but also meet less than 100 percent of need by those very standards (see recommendation 5), a large proportion of their population receive some public assistance. Were standards adequate and needs fully met, a so much larger proportion would be getting financial help that public assistance would be a major rather than a supplementary support to such States' economy.

We recognize that it would not be feasible as a continuing public policy to provide income adequate for health and well-being through the public assistance program, to the large proportion of needy individuals and families who now, in the lowest income States, regularly subsist far below the generally accepted American standard of living. Indeed, even if such provision were practicable, considering the social and economic consequences with which it is fraught, we question the wisdom of making it. Other measures, outside and beyond the scope of public assistance programs, are needed to strengthen the general economy of our financially disadvantaged States. We believe that their problems should be studied with a view to steps for reducing their incidence of inadequate income and to bring down needs for public assistance.

This is a large order involving a broad program. But meanwhile, even the lower income States ought to take more responsibility for

general assistance than most States do now. In 16 States, localities now pay all the costs of general assistance. In four additional States, localities finance 90 percent or more of it. In the Nation as a whole, in fiscal year 1959, localities bore nearly half of general assistance costs, as against their 8 percent financial contribution to federally aided programs. The Social Security Act, as we have pointed out previously, requires State financial participation in the special types of assistance, to insure statewide operation and a greater degree of adequacy and equity than is possible under the method of local responsibility for the poor.

The extent of reliance placed on localities, taxwise the weakest of any level of government, is, we believe, the chief cause of the present inadequate state of general assistance. Just as we have recommended Federal participation to help the States improve this program (recommendation 1), we now recommend substantial participation in it by the States. Nowhere should financing general assistance be left, solely or primarily, to those localities that are relatively resourceless and inadequately financed.²⁰

12. Equitable distribution of Federal funds

The specifications of the Federal formula determining the Federal proportion for individual States should recognize variations among States both in fiscal ability and incidence of need to a greater extent than the present formula does. The formula provisions of the Social Security Act should be amended to provide that Federal percents for individual States will be related to interstate variations in fiscal ability and need for the total of assistance expenditures in which the Federal Government participates, instead of only part of such expenditures as under the present formula. The Federal provisions should specify limits to the range among States in Federal percents; that is, the minimum and maximum percent to be received.

In the findings for the preceding recommendation, we described how some States, although they try as hard as wealthier States to meet financial need, or harder, are unable to do so. Despite our firm conviction that within broad limits the States should have freedom to define and administer their public assistance programs as they see fit, for this is in line with the value Americans place on experimentation and diversification, we consider inadequacies and inequities in public assistance a matter for national concern. Consequently we think that the Federal Government should do more than it does now to equalize the fiscal capacity of the States.

The present formula that determines the Federal share of assistance payments in each State is in terms of average payments per recipient per month. The maximum matchable amount is \$65 in the adult categories, \$30 in the aid to dependent children program.

The formula is in two parts, with the Federal ratio different for each. The first part is constant and applies to all States equally. The Federal Government contributes four-fifths of the first fraction, up to \$30 per recipient per month, for adults and 14/17 of the first \$17 per recipient in the aid to dependent children program.

The second variable part gives some recognition to differences in per capita income among the States. Before 1958 the matching share

²⁰ See statement by Mr. MacDougall, pp. 39 and 40.

of Federal payments up to the specified maximums per recipient was 50 percent for all States. A 1958 amendment provided for an "equalization" formula, whereby the matchable Federal share for the second fraction of assistance payments remains 50 percent for the States above average in per capita income, but ranges from 50 to 65 percent for the below average per capita income States.

The amendment, a compromise between equal and equitable treatment of the States, was, we believe, a step in the right direction. It has helped the lowest income States make somewhat higher assistance payments than would otherwise be possible. Also, the proportionately high Federal share available for the smaller payments tends to have some equalizing effect.

We are not satisfied, however, with the present formula for Federal participation. Since the proportion of Federal participation is so much greater in the lower, constant fraction of payment, than it is in the differential between that and the maximum, too many States fail to go above giving any more than meager, below minimal financial help.²¹

13. *Federal maximums*

(a) Maximum amounts of assistance expenditures in which the Federal Government will participate should continue to be specified, as now, in terms of an average amount of all assistance paid per recipient, including both money payments to recipients and payments to suppliers of medical care.

(b) The specified maximums should be high enough so as not to hamper State efforts to provide assistance at levels adequate for health and well-being and to meet rising costs of basic living requirements and medical care. Current Federal maximums should be raised accordingly.

(c) Any difference in Federal maximums specified for different groups of needy people (for example, per adult and per child), should be reasonably related to available knowledge about differences among the groups in the cost and content of their living requirements. The current Federal maximums for aid to dependent children do not meet this criterion, and should be raised to an equitable relationship with the other programs.

The 1958 amendments to the Social Security Act specify that Federal financial participation in public assistance be based on an average of State payments to all public assistance recipients, rather than on individual payments as had been the case before. This desirable change permits both greater flexibility in meeting individuals' "unusual" needs and simplifies fiscal procedures for determining State claims to Federal funds.

Federal maximums are merely fiscal devices to limit the Federal share, and from the beginning have never been intended to indicate any standard of adequacy for assistance payments.

Under the current formula, the fact that Federal participation in meeting unusual need is available (providing that total average payment does not exceed the specified Federal maximum) makes it possible for the States to meet at least some of it. Moreover, with the average-payment maximum the elaborate procedure of relating every payment to the Federal maximum is no longer necessary.

²¹ See statement by Mr. MacDougall, p. 40.

In the findings for recommendation 5 we have already discussed concepts of assistance levels adequate for health and well-being, and in that for recommendation 6, medical needs in particular. The current Federal maximums fall below levels needed to achieve better standards of assistance than the States now use. We have pointed out that assistance payments are inadequate in many States. Even so, in September 1959 many States' average payments per recipient equaled or exceeded the Federal maximums; in 34 States for aid to the blind, in 28 for aid to the permanently and totally disabled, in 29 for aid to dependent children, and in 25 for old-age assistance. Any further increases have to come from State-local funds.

We believe that Federal maximums should be high enough not to hamper or discourage States efforts to provide adequate assistance. They should be raised immediately to meet current costs of basic living requirements and of medical care. In line with recommendation 7, they should be calculated on an equitable basis among the categories. The current Federal maximums for aid to dependent children do not meet this criterion and should be raised to an equitable relationship with the other programs. They are in fact less than half the amount for the adult programs. Available information indicates that a maximum for the children's program that is three-fifths of the amount needed for the others would be more nearly related to differences in need.

We consider arbitrary maximums undesirable, for in our ever-changing economy with its fluctuating prices and time-and-place employment opportunities, maximums need to be not only adequate but also flexible. However, for two reasons we recognize the practical necessity of setting some fiscal limits and controls on Federal expenditures. One is the lack of a definitive national minimum standard of living discussed in the findings for recommendation 5. The other is that the appropriation for public assistance is open end; that is, as long as a State complies with certain Federal statutory conditions it may have as many needy people on its public assistance rolls as conditions require.

14. Single Federal matching formula

To promote equitable standards among the different categories, a single formula for Federal financial participation should be used, to apply to all categories of assistance and to all assistance expenditures.

We reiterate the principle of equitable treatment among categories and our belief that similar treatment should be given to all needy people in similar circumstances, regardless of the reason for their need. The same Federal percentage of contribution in all categories, and Federal maximums that vary only to reflect actual differences in need, are ways to implement the principle.

15. Transition period

In the event that a revised formula would result in reduced Federal funds for any State, a transition period should be provided to permit States to adjust to such changes, either by postponing the effective date of revised legislation or by building into the formula a device for gradual reduction in the Federal share over a period of years.

A substantial Federal increase would be necessary for the Nation as a whole to prevent decreases in any State under an extended public assistance program (see recommendation 1) and a variable grant formula. Legislation embodying our recommendations might result in some States receiving more Federal money and others less than at present.

If a State does not elect to provide federally aided assistance to all financially needy people (see recommendation 2) it might receive a smaller amount of Federal participation for the current federally aided categories than it does now. On the other hand, if a State does elect to provide federally aided assistance to all financially needy people, it could, particularly under adverse economic conditions, receive a larger amount of Federal funds than it does now.

We are convinced that States' potential fiscal problems do not negate the soundness of the principle of Federal sharing for all categories of needy people on a basis variable in accordance with the States' per capita income.

However, since a sudden substantial reduction of Federal funds summarily is likely to hurt needy people, we recommend that the States be given a reasonable period of years of adjustment, during which, if they wish, to extend their assistance programs and/or arrange through State-local funds to carry costs now federally covered.²²

16. Administrative costs

The Federal share of administrative costs for public assistance should remain at 50 percent for the Nation as a whole and for each State.

Administrative costs, like assistance payments, vary widely among the States. In general they reflect the States' fiscal ability and the scope, level, and quantity of services provided.

Combined administrative costs per case per month in the fiscal year 1958 ranged from \$0.82 to \$11.18 for old-age assistance, \$1.46 to \$24.52 for aid to dependent children, \$1.45 to \$18.27 for aid to the blind, and \$1.67 to \$15.60 for aid to the permanently and totally disabled. The size of each public assistance worker's caseload per month, ranging from 500 to just under 100, varied inversely with the amount spent.

In States where administrative costs per case are relatively high, staff have relatively more time to explore financial resources and to help people develop their personal potentialities for self-support, self-care, and strengthened family life. Individuals and groups, especially those in the public welfare field, have questioned whether the public assistance programs in low-income States having low administrative costs and huge workloads can be administered efficiently and economically enough to do full financial justice both to the needy and to the community as a whole.

Questions about administrative costs, especially in States at either extreme of spending, have also been raised by congressional Appropriations Committees primarily concerned with the rising costs of administration. They have inquired, If the cost differences among States actually reflect differences in efficiency and economy, are the highest cost States perhaps overspending?

²² See statement by Mr. MacDougall, p. 40.

A 1954 study resulting from these concerns revealed that since the lion's share of administrative costs is for service, the wide difference in the size of the caseload visitors carry accounts for 72 percent of variation among the States. Three other factors are differences in the rates of other employees to caseworkers, 17 percent; salaries, 10 percent; administrative costs for items other than services, 1 percent. The States whose high administrative costs were particularly questioned came up with such convincing data on the relation between spending money on administration and saving it on assistance payments, that amendments under consideration, to limit Federal sharing in administrative costs below the present 50-50, were not made. Statements of those of the members of the Council with knowledge and experience in the administration of public assistance confirm that the current provisions are working satisfactorily.

17. Training and personnel

(a) In order to improve administration, promote social rehabilitation, and help prevent dependency, States should increase the numbers and raise the qualifications of personnel administering the public assistance programs.

(b) To assist States in increasing the number of their qualified staff, the existing Federal matching provisions for educational leave programs should be amended to provide 100 percent Federal funds for training of public welfare personnel, as is provided in other specialized fields.

(c) As an aid to increasing generally the present short supply of social workers, it is recommended that, in addition to grants for other groups, 100 percent Federal funds be made available to accredited graduate schools of social work for the training of persons in such fields as strengthening family life and caring for the needs of the aging.

(d) States should take such action as is necessary to assure that the salaries of public welfare personnel are established and maintained at levels required to obtain and retain competent personnel, in order to provide the services required by public welfare recipients.

Most public assistance agencies are understaffed. Some limit services to determining and checking on need. Only a few State public assistance agencies provide directly such special services as home-makers, volunteer aides, or foster homes for the aged. Some persons are accepted and remain on public assistance for want of intensive effort directed toward solving their employment, family housing, emotional or physical health problems.

In demonstration projects, groups of typical assistance recipients whose workers carried small caseloads were compared with equally typical groups whose workers carried large caseloads. Consistently, the activities of the public assistance workers concerned with relatively few individuals and families paid off in terms of reducing assistance payments.

The quantity of visitors, however, is only one element in the staff deficiencies of current public assistance programs. Their quality is another. Although hospitals do not attempt to treat patients without having qualified doctors on their staffs, latest available figures show that public assistance agencies must make out with only 2 percent of

qualified social workers among their caseworkers, and about 15 percent in addition with partial social work training. We deplore the fact that even some of these have their skills and energies drained off in nonprofessional activities, and urge the States to take steps to insure that all professional staff be productively used for the strictly professional service they alone can give.

Social work is so young among the "helping" professions that many people do not really know that it is a profession nor what it encompasses. A qualified social worker has had at least 2 years of postgraduate study at an approved school of social work and of supervised experience. He is schooled in why human beings behave as they do and has the skills to help them make the most of themselves. Also, he learns about community organization, and how to use community resources.

The widespread lack of social work training among public assistance workers compels agency supervisory staffs to give more or less satisfactory in-service training. Increasingly, agencies are giving "educational leave" under the 50-50 provision for Federal participation in administrative costs, so that staff members can get real professional training. As against 1954, when only 118 individuals from 19 State welfare agencies went to schools of social work, 40 agencies sent 392 to school in 1958. We heartily approve this trend, and recommend that to accelerate it there be not 50 percent Federal participation as now, but 100 percent Federal funds for the professional training of public welfare personnel. Similar Federal training grants exist in fields like medicine, vocational rehabilitation, mental health, and the physical sciences. Surely it is equally appropriate and vital to the Nation to support a profession that contributes to efficiency and economy of administration, and at the same time furthers the happiness, well-being and independence of individuals.

There is a nationwide shortage of social workers. But there is an even more acute shortage of social workers in public assistance. One reason is that scholarships are available in other fields of social work. We therefore recommend that 100 percent Federal funds be made available to accredited schools of social work for professional training in fields of social work needed in public assistance agencies as well as voluntary agencies, such as work with the aging and strengthening family life. Another reason for the shortage of both qualified social workers and others in public assistance agencies is that the caseload required and the salaries paid cannot compete with working conditions and pay in other governmental or in voluntary agencies. In 1958, the turnover of public assistance employees, professional and non-professional combined, was very heavy. Separations were at the rate of 22 per 100 jobs; the accession rate was 27 per 100 jobs.²³

18. Strengthening family life

(a) The Congress should appropriate funds authorized under the Social Security Amendments of 1956 for grants for research and demonstration projects such as those relating to the prevention and reduction of dependency, coordination between private and public agencies, and improvements in social security and related programs, and research leading to strengthening family life.

²³ See statement by Mr. MacDougall, pp. 40 and 41.

(b) We recommend the establishment of a national institute which would have the responsibility for studies and demonstration programs leading to strengthening of family life.

Although the people coming to the assistance agencies need more than money, and the agency staffs often lack proper training for their complex responsibilities, large sums of tax revenue are continually spent and intimate details of many people's lives are involved. The cost of carrying on the daily job and the pressures on overloaded staff to deal with applicants and recipients make virtually impossible any research or experimentation in improved ways to prevent or meet need.

We regret that the Congress has never appropriated the money to implement the authority, enacted in 1956, for research and demonstration activity, and we recommend that it do so now. Numerous Federal grants are made to States and to voluntary agencies for research and demonstration projects in the fields of biology, mental health, psychology, education, and others. We believe that similar investment in exploration of the problems brought to public assistance agencies would likewise pay dividends both in human and fiscal terms. Research and demonstration related to the causes and prevention of dependency are especially necessary because public assistance functions in an ever-changing setting.

A national institute dedicated to discovering the best means possible of solving social problems like family breakup and chronic dependency is as appropriate and desirable in a democracy as the existing National Institutes of Health.²⁴

19. Strengthening social insurance

The Council supports the generally accepted principle underlying the American social security system that the social insurance programs should provide the primary defense against the common risks to economic security. The Council regards the strengthening of the social insurance programs as an important objective of public policy. Because of the close relation between any extension or improvement in social insurance and the extent of need for public assistance, the Council has taken note of the major proposals for changes in the old-age, survivors, and disability insurance program and in the State unemployment insurance programs that have been advanced in recent years. It has not attempted to resolve the issues relating to all of these proposals; it has, however, reached conclusions regarding some that would have an immediate impact on public assistance. As desirable steps, the Council recommends the following:

(a) Coverage under the contributory wage-related program of old-age, survivors, and disability insurance should be extended to include as many additional workers as possible not now covered under any public retirement system; in particular, the program should be extended to such additional farm and household workers as it is feasible to cover.

(b) The proper Federal authorities should take all feasible measures to assure that everyone who is covered by law under the old-age, survivors, and disability insurance program does in fact have his covered earnings reported and

²⁴ See statement by Mr. Tobin, p. 42, and statement by Dr. Villaume, p. 43.

recorded to his credit, so that he will receive the full amount of benefits to which he is entitled. Additional effort in this respect seems to be particularly necessary for migratory farm workers.

(c) The provision that disability insurance benefits can be paid under the old-age, survivors, and disability insurance program only to people age 50 and over should be eliminated; benefits should be paid to qualified disabled workers regardless of age.

(d) Benefit levels under the old-age, survivors, and disability insurance program should be adequate and kept in line with the growth of the economy; to this end, increases in wage and price levels should be appropriately reflected both in benefit amounts and in the maximum amount of earnings taxable and creditable toward benefits.

(e) The Federal-State unemployment compensation system should be extended to improve its protection of the unemployed.

(f) Continued attention should be given to strengthening the contributory wage-related social insurance programs with particular view toward reducing need for public assistance.

We reaffirm the principle that the social insurance programs should be the first line of defense against income loss through any of the commonly shared hazards of life—unemployment, old age, or death or disability of the family wage earner. Through such programs, individuals receive benefits as a matter of right without the necessity of an inquiry into their needs. People know that benefits will be available, in addition to the accumulation of savings and private insurance resulting from their own individual efforts to achieve security.

In accordance with our legislative mandate, our recommendations on social insurance deal especially with the old-age, survivors, and disability insurance program, as indicated above. We recognize that there are many other possible ways of strengthening the social insurance programs. For example, under the provisions of old-age, survivors, and disability insurance, widows' pensions are now very small, both relatively and absolutely—only three-fourths the amount that would have been payable to the husband or one-half to the couple. We doubt whether these proportions would be justified by differences in living requirements. Another example might be to change present provisions to assure that people in recently covered groups and presently close to retirement age will be able to qualify for benefits without being required to work in covered jobs as long as is now required by law. We did not consider in detail all the other possible modifications in old-age, survivors, and disability insurance that might have some impact on public assistance.

All of us agree to the pressing importance of meeting medical care needs, particularly those of older persons. Their inability to pay for medical care is one reason they have to turn to public assistance, and unless there is going to be some organized program of prepayment of medical costs, the burden on public assistance is almost certain to increase. We all agree, too, that while adequate health services should be available through the assistance programs for those who cannot

get them any other way, providing these in this way is not the most desirable method of dealing with the problem.

Some of us strongly support expansion of the old-age, survivors, and disability insurance program so that it includes designated health service benefits, with costs covered by prepayment through increased social security contributions. Others believe that they have not studied the matter enough to be ready to make either this or alternative proposals.

We also gave attention to proposals that all aged persons not eligible for old-age, survivors, and disability insurance benefits or for benefits under a public retirement program, be "blanketed in" under the insurance program and receive a minimum monthly benefit. We recognize that there are considerable numbers of aged persons who were never eligible for old-age, survivors, and disability insurance; the largest group among them consists of widows whose husbands died before coverage was extended to the husband's particular occupation. Minimum benefits for this group would be analogous to the past service credits under some private pension plans.

But we have not recommended blanketing in. Many among the ineligible group have been able to make independent provision for their old age and are reasonably well to do; others can rely on sons or daughters or other relatives. Using public funds to provide them with a small pension does not seem to us to rate high priority among social objectives. Moreover, any blanketing-in plan likely to be feasible would still leave a substantial need for public assistance; most of the persons now on old-age assistance are getting payments considerably higher than those proposed as the minimum pension, and would continue to need supplementary income for maintenance as well as for medical care and social services.

Probably the most serious objection advanced to blanketing in was that a minimum pension from old-age, survivors, and disability insurance funds, for those who have made no direct contribution to old-age, survivors, and disability insurance, would be a very real threat to the wage-related, contributory character of the insurance program. The consensus was that the possible advantages of blanketing in, at the present time, are far outweighed by the importance of preserving and strengthening the basic social insurance program.²⁵

20. *Periodic review of program*

The status of the public assistance programs, including their adequacy in promoting health and well-being, the formula for Federal financial participation in public assistance costs, and their relationship to social insurance programs should be reviewed and reevaluated by an advisory council at least once every 5 years. The Social Security Act should be amended to authorize such a council.

This Advisory Council is the first ever established by the Congress with examination of public assistance as its primary responsibility.

We believe that the total public assistance program should be reevaluated regularly.

In recommendation 1 and the statement of findings, we have called attention to the need for reappraisal of the present exclusions for eligibility under the federally aided categories. The lack of uni-

²⁵ See statement by Mr. Tobin, p. 42.

formity of eligibility among the States (see findings for recommendation 5) likewise calls for up-to-date periodic review. These problems are indicative of the kind that can and do arise and require periodic review and study. While these particular studies should not await the establishment of a future advisory council, we recommend that the Congress provide for such a body.

Throughout our deliberations we have been keenly aware that it is difficult, if not impossible, to make even reasonably accurate predictions of conditions in our fluid, changing American economy. Any of the measures we propose, like other measures before them, may become dated. We consider that it is as essential for the total public assistance program to be reevaluated regularly, as it is to improve and strengthen it now.

SUPPLEMENTARY STATEMENTS BY COUNCIL MEMBERS

STATEMENT BY MR. JOHN E. BURTON, DECEMBER 18, 1959

Association with the members of this Council and its staff has been such a rewarding experience that it is with regret that this somewhat different point of view on certain matters is expressed. Being in substantial agreement with the major part of the Council's report it is still necessary to disagree in two respects:

Residence.—A more realistic position would seem to be a 1-year State restriction with 100 percent Federal payment for the stateless person during the year.

The Federal share.—Equalization or variations in assistance among States is sound but the Council's position in the maintenance of the present Federal share of welfare assistance neglects an area of tax adjustment that might be incorporated in a readjustment of Federal grants-in-aid that could help to smooth the impact of a reduction in the Federal share of public assistance. This reservation is stated in a dissent in the 1955 Report of the Intergovernmental Relations Commission (p. 115):

We believe that there is merit to the proposition of relinquishing national tax sources to the States, wholly or in part, and of reducing grants-in-aid in the aggregate, with the reduced grants being more heavily equalized. Relinquished tax sources would tend to benefit the higher income States, while the reduced but more equalized grants would tend to benefit the lower income States. Of course, no nice balance is to be expected; tax and grant reductions should not even be respectively earmarked. But the overall proposition moves in the right direction—more fiscal and administrative autonomy would be gained in many States.

STATEMENT BY MRS. KATHERINE POLLAK ELLICKSON,
DECEMBER 22, 1959

Finding No. 9. The Federal share

The findings supporting our recommendation on the Federal share omit explanation of three basic factors which require high Federal participation in financing an adequate public assistance program. These factors are: (1) structural defects that exist in many State governments today; (2) the inequitable features of much State and local taxation, and (3) the interstate competition to reduce all costs which is reflected in the pressures brought on each individual State legislature to consider the tax rates in competitive States rather than the needs of its citizens.

1. There are many out-of-date practices in the States which hamper labor organizations and other groups which attempt to secure more generous legislative provisions. These practices were referred to as follows in a 1958 Report by the Committee on Government Operations of the House of Representatives entitled "Federal-State-Local Relations":

To a considerable extent the growth of Federal activities has taken place because the States, by constitutional and statutory means, have restricted their

own powers and those of their subdivisions. In many States the populous urban centers have not been given adequate authority to enable them to solve pressing local problems. In addition, they are often denied fair representation in State legislative bodies. Weaknesses in State government, at a time when the responsibilities of government are being increased by rapidly changing conditions, help to facilitate the growth of Federal grant activities.

Other continuing shortcomings are short legislative sessions and restrictive election practices.

The same groups that oppose effective social legislation at the Federal level typically oppose it at the State level also, and they find the outmoded and unrepresentative character of many State legislatures useful in limiting action.

2. A shift from Federal to State and local financing would involve a shift of the tax burden from corporations and high-income groups to people with modest and low incomes. The Federal Government relies largely on forms of taxation based on the progressive principle that people with higher income should pay a higher proportionate share of the tax load. In 1958 over 80 percent of all Federal tax revenues came from corporate and individual levies based on this principle. In contrast 58 percent of all State tax revenues came from regressive sales taxes levied on consumers. The latter tend to fall most heavily on low-income groups, and any addition to such taxes has a tendency to increase the very dependency which we are attempting to overcome. Any substantial reallocation of the varieties and incidence of Federal and State taxes would take many years to effectuate.

3. When efforts are made in any one State to provide larger revenues and appropriations, the argument is typically made that high State taxes will drive business elsewhere. This argument is frequently made by spokesmen of huge corporations with plants throughout the Nation and with the power to shift their production at will. Regardless of its merits, this argument often is influential and further impedes State action. The pressure of interstate competition will continue to hamper State-by-State action to improve social programs even if the basis of State taxation is improved. The Federal Government, in contrast to the States, has the great advantage of being able to levy taxes at rates uniform throughout the Nation.

STATEMENT BY MR. WILLIAM R. MACDOUGALL, DECEMBER 17, 1959

Mr. MacDougall dissents strongly from certain of the recommendations and findings of the majority of the Public Assistance Advisory Council.

This dissent is based on differences in concept as to the nature of public assistance and its proper role in American Government.

Basic to this dissent are the following five precepts:

1. The former Commission on Intergovernmental Relations (Kestnbaum Commission) proclaimed the following:

Leave to private initiative all the functions that citizens can perform privately; use the level of government closest to the community for all public functions it can handle; utilize cooperative intergovernmental arrangements where appropriate to attain economical performance and popular approval; reserve national action for residual participation where State and local governments are not fully adequate, and for the continuing responsibilities that only the National Government can undertake.

2. Secretary of Health, Education, and Welfare, Flemming, in his recent speech to the Governors' Conference at San Juan, P.R., declared:

All of us would agree that if there is any area where maximum possible responsibility should continue to be vested in State and local governments, it is in the area of public assistance.

3. Public assistance is not intended to be a substitute for wages. It must never be permitted to become such.

4. Easy dependency is not a desirable condition. Once upon us, it is both self-perpetuating and contagious. It will gnaw at the vitals of America with the same deadly possibilities inherent in the awful role it has played in the decline of great nations of the past.

The "automatic America" of our future will not long survive if it is a nation of widespread mass dependency on government handouts. Somehow we must manage to have this new era retain a modicum of those "pioneer features" of our earlier days which stimulated self-sufficiency and self-reliance. Our public assistance programs are even today not this type of program in that they are not in any sense of the term, "work programs." In fact, they are prohibited by law to be such in any way whatever.

5. Where public assistance administration^{*} is handled at the local level in this country, it is usually lodged in county government. This year's amendments to the American County Platform (the basic declaration of principles of the National Association of County Officials) by unanimous action placed the governing bodies of these basic units of welfare administration on record as follows:

(a) 5.11. *Residence requirements for public assistance.*—The National Association of County Officials recommends retention of Federal law provisions which permit States to impose limited residence requirements for eligibility of public assistance.

(b) 5.12. *Federal entry into the field of general assistance.*—The National Association of County Officials recommends against the entry of the Federal Government into the field of general assistance and affirms its belief in the existing four categories of Federal public assistance; namely, aid to the aged, the blind, the children, and the disabled.

(c) 5.13. *Abolition of public assistance categories.*—The National Association of County Officials reaffirms its belief in Federal participation in public assistance through the categories of aid to the aged, the blind, the children, and the disabled and further recommends that any extension of Federal public assistance programs be by the orderly development of the present categories.

(d) 5.14. *Federal financing of public assistance.*—The National Association of County Officials believes that the principle of variable grants contained in the Federal Social Security Act (1959) is sufficient to assist the "poorer" States while placing a higher burden upon the "richer" States and that such system should not be changed.

(e) 5.15. *Relative share of public assistance costs.*—Regardless of the desirability or undesirability of Federal entry into financing a portion of general assistance costs, such a new Federal program should stand on its own feet and should not be financed by reductions in existing Federal shares of the costs of aged, blind, child, and disabled aid.

The following comments are made with respect to certain of the recommendations. (The numbers used and referred to are the same as those of the Council recommendations. All recommendations not subject to comment are concurred in.)

1. *Extension of coverage of financially needy people*

Extension of Federal financing and regulations into the field of general assistance should come only upon request of a majority of the

States and counties of this Nation expressed through their legislatures and county governing bodies. This has not happened. In fact, the counties are recently on record as opposing such an extension of Federal operations at this time. The Federal Government should not push itself into a further field of Federal activity.

While this Council recommendation proposes Federal entry into the field of general assistance, it significantly and strangely relegates to further study the important issue of present exclusions of aged, blind, children, and disabled persons from the existing Federal programs. It suggests the continuance of the present questionable exclusion of children in foster homes, children in institutions and persons in nonmedical public institutions, and tuberculosis and mental disease cases. Thus, there is scant hope in this report for the thousands of "forgotten children" who are presently being supported by State, county, and private funds although they are in every way proper cases for aid to dependent children. Their only sin is that they do not have a relative of some degree available to give them a home, whether or not such home is superior to the foster home or institution where they now reside.

Emphasis should be placed on the proposal to include in the Federal public assistance program the underemployed. This recommendation heralds the entry of public assistance into the field of supplementing the wages of workers who are unable or unwilling to earn for themselves sufficient income to meet the suggested Federal standards recommended later in this report.

It may be well that the time is here to extend the coverage of public assistance. Presently uncovered groups should be identified. The desirability of their inclusion should be debated and action taken on one group at a time. Only in this way can the Congress and the Nation control intelligently the expansion of our already vast public assistance program.

2. Options available to States

Although this recommendation is presented in the attractive phrase, "freedom of choice," it actually presents little real option to the States.

If the extension of coverage is made as proposed in recommendation No. 1, States which do not wish to accept Federal funds for, and control of, general assistance will have only the alternative of continuing to finance their own programs while at the same time paying substantial tax funds into the Federal Treasury to help finance the added cost of Federal participation in the general assistance programs of other States. Such a "freedom of choice" will not really continue for many years anywhere since abstention from the Federal program without being excused from sharing in the financing of it elsewhere is a luxury no State can long afford.

3. Extension of aid to dependent children program

This recommendation proposes a most radical change in the aid to needy children program. This program since its inception (and its forerunners in the States for many years before) has been based on the thought that the Government will step in to aid children who are deprived of support because of the absence, death, or incapacity of a parent. In other words, it has been an orphans and a half-orphans program, even though the concept of "half-orphan" has become the

broadest possible. The change suggested here is to inject the program into homes where there are two able-bodied parents who are either unable or unwilling to support their family in the style prescribed by the latest edition of the child aid budget schedules of the State in which they live.

It seems difficult to justify such a monumental change in the concept of aid to dependent children while, at the same time, continuing the denial of Federal assistance to the approximately 100,000 American children who are supported by State and local government funds in approved foster homes and licensed institutions. These children are orphans and half-orphans in fact. The first extension of Federal coverage should come to them, rather than being channeled into the new experiment of extending our historic "mothers' aid" to families where an able-bodied father is present.

There are, at the moment, many misgivings on the part of the American public over abuses of aid to dependent children on the part of so-called "absent fathers" and on the part of women who may not shudder at illegitimate parenthood in order to enhance their aid grants.

"Women have babies out of wedlock," the thinking goes, "and fathers desert their families, with complete personal irresponsibility, in the careless security of knowing that welfare will provide for their children. Worse, the program actually encourages unstable family life." It is a highly doubtful solution of these problems to wipe them out by granting extended aid to dependent child coverage to all relatives everywhere who have children in their home, regardless of the basic duties and obligations of the parents of such children.

4. Residence requirements

The proposal to deprive States completely of their historic right to impose residence requirements on those who seek financial support from the States' taxpayers is the most drastic recommendation of the Council.

Since the earliest days of any record anywhere of public relief being granted to the needy, there is record of some type of residence requirement. While approximately one-half of the costs of public assistance continues to be provided by the States and the localities, it seems undesirable and impractical to deny them the right to ask that assistance be granted by the State government of the applicant's legal residence. This is particularly true for the "permanent types of public assistance" as exemplified by the aged, blind and disabled aid program, and by some long-term cases of aid to dependent children.

It may be that the present lengths of time permitted to the States to be used as residence requirements need some shortening. It is possible that a "2 years out of the last 3" or that even a single year's residence requirement may be practical for future years, but objection must be registered to the proposal to wipe out completely all permission to the States to impose residence requirements in their welfare laws. The proper recommendation here would seem to be one for revision of residence requirements rather than their complete prohibition.

5. Adequacy of assistance

That portion of this recommendation urging the Federal Government to exercise greater leadership in assuring that assistance pay-

ments are at adequate levels should be taken with the following grain of salt.

The proper agency to determine assistance levels is the State. The Federal Government is a proper participant but should not cast itself in the role of pace setter. These are the present roles of the State and Federal Governments under the existing public assistance programs and these roles should remain unchanged. The Federal "budget guides" which are suggested in this recommendation will be valuable if used for information and guidance only. They should not be viewed as pressure points from which to pry upward State levels of assistance beyond those set by the State legislature concerned.

One of the prime values of the present system is that each State determines its own level of assistance in accordance with its own appraisal of local need and its own decisions as to the place of public assistance in the large area of government services the State must provide. This function of balancing the public assistance program as against other governmental services should remain a State function. We must not lose sight of the fact that every State legislature meets biennially or more often. As an inevitable part of every general legislative session there is a review of all assistance levels in each State.

Closely allied with the power to determine assistance levels is the power to determine eligibility requirements. These two, taken together, are the very essence of the State's important role in our present Federal-State public assistance system. The language added to the text by the Council on the last day of its last meeting relative to uniform eligibility standards is a threat to the States' right to present for Federal participation a State plan which contains each State's current philosophy of proper eligibility requirements suiting its needs.

6. Medical care

This recommendation is concurred in, but it should be noted that subsection C, relating to "Federal stimulation of States" is subject to the caution set forth in the comments on recommendation No. 5.

11. The State's share

"Equal fiscal effort" as used in this recommendation and the discussion thereof does violence to the sound principle that each State should determine for itself the emphasis it wishes to place on public assistance and the corresponding levels of public assistance.

While many States vest heavy fiscal responsibilities in their counties for the financing of the public relief programs, it would be unwise to generalize that all States should immediately begin (or increase their present) financial participation in their own general assistance program. California is a notable instance where the counties finance 100 percent of the general assistance program. Despite that burden, these counties in December 1959 went on record as being opposed to Federal entry into general assistance at this time. In addition, it should be noted that these same counties are not currently asking for State financial participation in general assistance.

It is impossible for this Council to know or to appraise the varying local conditions which make the situation in each State different from the other States. In many States, there is now an adequate balance of welfare financing achieved in the State by the existing allocations of financing responsibilities for the various aid programs between the

State and the counties, even though one feature of the system may be 100 percent financing by counties of general assistance. It would be presumptuous for this Council or for the Federal Government to burst into this purely State problem with the sweeping recommendation that nowhere should financing of general assistance be left primarily in the hands of local governments. While the counties are deeply appreciative of both State and Federal financial assistance in properly setup partnership programs, they are also keenly aware of the degree of control and regulation which comes with financial aid from a "senior" level of government. Only the counties themselves can place a value on this precious right of local self-determination.

12. "Equitable" disbursement of Federal funds

This Council recommendation is well thought out, if one is an avowed advocate of extension of the "variable grant" method of Federal financial participation with the States.

After almost 24 years of "straight sharing" with the States, the Federal financial participation shifted over to the present partial "variable grant" method a little more than a year ago. This shift was bitterly fought on principle by a number of States. Even the compromise which was achieved at the Congress in 1958 was not satisfactory to some because of its long-range implications that in these huge welfare expenditure programs the ultimate interstate economic effect of the variable grant method could not be forecast.

We have had short experience with the variable grant. It is most premature to suggest a complete abandonment of the traditional straight sharing method. The long-range economic effects of the variable grant approach should be carefully studied and much better understood. The Council best describes the ultimate effect here itself in its comment that this is an attempt (and an arbitrary one) to "equalize the fiscal capacity of the States."

15. Transition period

In the event that the Congress does attempt the "full variable grant" approach to Federal financial participation or makes any other formula changes which are detrimental to some States as compared with present Federal financing, concurrence is expressed in the recommendation for transition period arrangements. However, this necessary and justifiable "sugar coating" should be accompanied by debate and full public knowledge throughout the country of the ultimate effect of the full impact of the variable grant approach. It should not be sold solely on the basis of its first year effect under a transition period approach. Such full knowledge is essential to proper understanding of what the variable grant approach will ultimately do.

17. Training and personnel

In addition to the five recommendations contained herein, it is submitted that merely hiring more social workers with higher qualifications from an admittedly short source of supply, but accompanied by Federal aid to increase the supply and coupling all this with higher salaries, is not enough to solve the personnel problems of the future. On the one hand, we are recommending that the State hire more administrative employees with better qualifications and at higher salaries in a situation where already there is an admitted lack of properly trained personnel available.

It would seem that additional measures are indicated to conserve the available inadequate social worker supply. To this end there should be a maximum use of nonsocial work personnel in both State and local agencies. There should be a nationwide reexamination of public assistance program operations to be sure that the precious supply of social workers is used exclusively in the performing of professional social work. All assignments which can be handled by high-type clerical personnel and competent investigative staff should be so assigned, so that the social workers available will be used within the scope of the high calling of their profession and nowhere else.

IN CONCLUSION

The thoughts behind this dissenting statement are in no sense "antipublic assistance."

The public assistance programs of the Social Security Act are needed, are beneficial, and are well administered. These thoughts are intended to give no comfort to those who would either turn the clock back to 1934 or to those who would freeze the public assistance programs and all their features in the form in which we know them today.

This statement is a plea for the continuing growth of the public assistance programs in the pattern of the last quarter century. For instance, extensions in coverage may be justifiable in 1960 at the Congress, but such extensions should be carefully deliberated with each separate group considered separately.

The heritage of history, the balance we have achieved in the years of operating the present programs, and the general public acceptance of these programs and the need to finance them should not be jeopardized.

Possibly the principal difference between this dissent and the prevailing views of the majority is the difference in appraisal of the seriousness of the huge additional costs which will inevitably and permanently come along with the adoption of the majority recommendations.

STATEMENT BY MR. CHARLES J. TOBIN, JR., DECEMBER 18, 1959

Extension of Federal programs (recommendations 1, 2, 3)

Mr. Tobin does not concur with these recommendations of the Council, and the related portions of the report, which propose that the role of the Federal Government in public assistance be extended to participate in the cost of meeting additional categories of financial need, and which propose the grant of options to the States to eliminate or change the present four federally aided categories, and which propose to expand the category of aid to dependent children to include homes in which both parents are present.

It is his opinion that it has not been demonstrated that the present system of open end grants-in-aid utilized for the present categories has been sufficiently effective in developing adequate State, local, and voluntary effort, and self-help, to assure that the expansion of the categories or the addition of a new category will have such an effect.

Mr. Tobin believes that stimulation, encouragement, and temporary assistance should be the major role of the Federal Government in

these programs. Their accomplishment must be tested by determining the degree to which they have this effect. Until the present programs have matured, or have been adjusted, so that they reach these objectives, consideration should not be given to their enlargement.

The recommendation to expand the category of aid to dependent children would distort further a program which has been the focus of multiple problems in the community in recent years. It has been suggested that some of its current difficulties arise from previous expansions of this program to include children living with various relatives, close and distant. This proposal, as did those prior expansions, neglects the fact that the aid to dependent children program was aimed at strengthening an existing family unit which had been threatened as a result of the death, desertion, or incapacity of the wage earner. It was a continuance of the widow's pension laws or mother's relief laws and was never meant, either in its inception or its continuance, to be the major program whereby the financial needs of families with children would be met in public assistance. Rather, the program should be related to but only an adjunct of local programs of general relief. Furthermore, in recommendation No. 3 on aid to dependent children, emphasis is used which is not warranted by the facts.

Adequacy of assistance (recommendation 5)

Mr. Tobin does not concur with that part of the first paragraph of recommendation No. 5 and the related portions of the report which propose that the Federal Government should take steps to meet needs without regard to the fiscal capacity of States and local governments and to voluntary effort. It is his view that Federal effort may be justified for a limited period when it is demonstrated clearly that State and local capacity and voluntary effort are not able to meet basic financial needs, but this has not been done.

Federal share (recommendation 9)

Mr. Tobin dissents from the recommendation relating to the Federal share. It is his view that, under present conditions, it is not a matter of concern that the proportionate Federal share of all public assistance expenditures, including the State programs of general assistance, is now approximately 52 percent. Mr. Tobin believes that at present the Federal share should be approximately 50 percent but it might range between 45 and 55 percent. Desirably, he believes that it should eventually be reduced well below 50 percent.

Strengthening family life (recommendation 18)

Mr. Tobin does not concur in the recommendation for the establishment of a national institute to study social problems.

Strengthening social insurance (report on recommendation 19)

With relation to the paragraph of the report, under this recommendation, relating to health service benefits, Mr. Tobin does not join with those members of the Council who support the expansion of the old-age, survivors, and disability insurance program so that it includes designated health service benefits.

STATEMENT BY DR. WILLIAM J. VILLAUME, DECEMBER 18, 1959

Recommendation 18

Dr. Villaume concurs with the first section of recommendation 18, urging the appropriation of funds for research and demonstration projects, but he maintains that it would be premature to establish a national institute at this time.

The Council has not studied the function of such an institute, nor the objectives, nature, scope, basic research design, or methodology of the studies proposed. It has not been determined why or how the potential resources of a national institute would strengthen family life.

The appropriation of funds already authorized under the Social Security Amendments of 1956 for research and demonstration would be ample to support some intensive projects related to the causes and prevention of dependency and the breakdown of family life. Only if these are shown to be helpful in strengthening family life or reducing dependency should the establishment of a national institute be considered.

APPENDIX

The material in this appendix was selected from the materials prepared and compiled by the staff of the Social Security Administration for the use of the Advisory Council on Public Assistance.

For additional information, see the "Selected Bibliography" in this appendix and the regular periodic releases of the Social Security Administration and the Bureau of Public Assistance.

APPENDIX A

DESCRIPTION OF PUBLIC ASSISTANCE PROGRAMS

Historical background

Early in American history there were family, voluntary, and local community efforts to help dependent men and women, the blind, the crippled, and, in general, those unable to provide for themselves through work.

The colonists brought with them the common law of England and, as the basic public provision for the relief of the needy, the Poor Law passed by Parliament in the reign of Elizabeth I. Despite its restrictions and harshness, the Poor Law is a landmark in the Nation's social history for it established the moral and humanitarian principle of governmental provision for the destitute.

Local governments were empowered to tax for relief of their poor. The sick, the mentally ill, and an assortment of dependent children and adults were indiscriminately lumped together in local poorhouses. Other impoverished persons got "outdoor" or "home" relief.

In the 19th century, States began to coordinate, and to work with, purely local relief agencies. The first State board of charities, ancestor of today's State public welfare departments, was established in 1863 and by 1897 there were 16 such boards. Between 1898 and 1929, a number of States enacted legislation for pensions for the blind, for the aged, and for mother's pensions to aid needy children. Major administrative responsibility was generally left to the localities, although frequently with some State financial aid.

As the United States moved from being predominantly agricultural into becoming industrialized, there were concomitant social and economic changes. The large farm family which produced its own food, clothing, and shelter was replaced by the small city family, dependent on wages for its necessities. When unemployment struck, personal and family resources and efforts could not alone cope with the blow.

Moreover, as various parts of the national economy became more interdependent, as men and women more and more moved about in search of work opportunities often far from their original homes, individuals, however self-sufficient, had less control than formerly of the means of providing income. Adding to the difficulties of

maintaining a family were, at the one end of life, the growing number of old people no longer able to support themselves, and at the other, the prolonged period during which children depended on their parents for support. Illness became a greater economic hazard than it had been, for with illness of the breadwinner, income stopped. The depression of the thirties with its widespread unemployment dramatized the fact that private agencies, localities and States, by themselves, could not provide enough financial help for the needy.

Therefore, the National Government, recognizing that no part of the country is economically isolated, came into the public assistance picture. From 1932 to 1935 it helped the States to give relief to needy persons and to provide jobs for the needy unemployed. In 1935 the National Government substituted a Federal work program for direct help to States for aid to employable people. At the same time, a beginning was made in setting up the machinery to prevent or minimize part of the destitution caused by some common hazards. The Social Security Act established a limited Federal program of old-age insurance for retired workers, a limited Federal-State system of unemployment insurance, and Federal grants-in-aid to the States for the needy aged, for the blind, and for dependent children living with their parents or close relatives.

Implicit in the public assistance titles of the 1935 Social Security Act was a recognition that since the insurance programs were neither complete nor adequate, public assistance must continue to be part of a total social welfare program for the Nation.

While its provisions were based on recognition of State and local responsibility for determining need and administering assistance, among the conditions for a State's receiving Federal financial aid was that the categorical public assistance programs must be statewide in scope, in contrast to the local option plans then in effect, and which are still, to a large extent, operative in the nonfederally aided general assistance program.

Legislative expansion in the social insurance programs beginning in 1950 made social insurance a more adequate bulwark against certain risks. Also in 1950, there was a provision for a new category for Federal participation in State public assistance, aid to the permanently and totally disabled. In 1956, there was statutory emphasis on Federal financial sharing of the cost of social services for the self-support and self-care of adults and to maintain and strengthen family life. Part of the Federal financial share was based, in a 1958 amendment, on an equalization formula which takes into account the fiscal capacity of the States.

The programs

Five different programs meet needs for public assistance today. They all have the same broad purposes and are often administered by the same agencies and personnel in the States and localities. They differ in the needy groups they serve and in how they are financed. Four of the programs, commonly called the special types of public assistance, are financed from Federal, State, and local funds; these are old-age assistance, aid to dependent children, aid to the blind, and aid to the permanently and totally disabled. The fifth program, general assistance, helps people not covered by the other four programs or is used to supplement the other programs. No Federal

funds are available for general assistance; only State and/or local funds are used.

All 50 States, the District of Columbia, Puerto Rico, the Virgin Islands, and Guam administer programs with Federal aid for old-age assistance, aid to dependent children, and aid to the blind; all but 5 of the 54 jurisdictions have federally aided programs for aid to the permanently and totally disabled.¹ Most States have placed greatest emphasis in public assistance on developing and improving the federally aided programs, particularly those for the aged, blind, and disabled. General assistance programs in most States are severely limited and uneven as to eligibility requirements, amount of assistance provided, and the extent to which assistance is available throughout the State.

The State responsibility

Federally aided programs.—Under the Social Security Act, each State is responsible for developing its public assistance programs and voluntarily initiates its relationship with the Federal Government. The relationship begins when a State plan for operation of the assistance programs is approved by the Commissioner of Social Security as meeting the requirements of the Federal act. Once established, the relationship is a continuing one; as long as a State operates in compliance with a federally approved State plan, it receives Federal funds.

States have substantial latitude, and corresponding responsibility, to determine the nature and scope of their public assistance programs under the Federal act, and to make decisions regarding State legislation, administration, and financing of the programs, provided they meet certain conditions set forth in the Social Security Act. Most of these provisions are common to the four federally aided programs. They are intended to assure that certain minimum standards reflecting the national interest and concern are maintained. The provisions specify a few minimum conditions of eligibility for recipients for whose assistance the State may claim Federal aid. These conditions relate to age, living arrangements, reason for need, and degree of disability. States may, and some do, provide assistance to a broader group of the needy, but assistance for these needy persons is paid entirely from State and local funds. States may also provide assistance for only part of the needy group eligible under Federal standards, if the basis for selection is reasonable and equitable under law. Such selections, however, cannot be made on the basis of more stringent State residence requirements than the maximums specified in the Federal law, and they cannot exclude any citizen of the United States, if he is otherwise eligible.

Other provisions require that States consider income and resources of individuals in determining who is needy; and assure that certain basic rights of needy people will be preserved, such as the right to apply and, if eligible, to receive assistance promptly, and the right to a fair hearing on their disagreements with agency decisions. In addition, conditions are included to assure proper and efficient administration of the programs and to require State financial participation in the programs and statewide operation. The Federal act also requires that responsibility for the continuing relationship be-

¹ The five are Alaska, Arizona, Indiana, Iowa, and Nevada (as of July 1, 1959). Federal aid was extended to Guam under the Social Security Amendments of 1958; Federal funds became available as of July 1, 1959.

tween the State and the Federal agency for any program must be assigned to one State agency.

The public assistance programs are administered by 58 State agencies and over 3,000 local agencies. In most States, the same State agency administers all the federally aided public assistance programs, and usually other public welfare programs also. In a few States, individual public assistance programs—usually aid to the blind—are administered by separate agencies. Whatever the administrative organization, for each of the special types of public assistance, State policies on eligibility and standards for assistance and other services to recipients must apply equitably in all localities as a prerequisite to receipt of Federal grants-in-aid.

General assistance.—In most States, administration of general assistance presents quite a different picture. With regard to general assistance, we are still in a period—long since passed for the special types of public assistance—of transition from the traditional system of complete local responsibility for both financing and administration to the assumption of some State responsibility and administration by county departments of public welfare. Most States now provide some State funds and have moved to administration of general assistance through county departments of public welfare. In some States, however, local authorities retain full responsibility for the program; in others, they play a major role in financing and often in administering some or all of the funds available.

The Federal responsibility

By delegation from the Secretary of Health, Education, and Welfare, the Commissioner of Social Security in the Social Security Administration exercises the functions of the Secretary concerning public assistance. Within the Social Security Administration, the Bureau of Public Assistance is primarily responsible for administering grants-in-aid for public assistance.

In discharging its responsibilities, the Bureau helps States to develop, maintain, and improve public welfare programs. Thus, the Bureau assures that Federal grants are made in accordance with the Social Security Act and are spent for the purposes for which they are appropriated; helps States interpret and apply Federal requirements and works with them to improve their programs; secures nationwide information in order to advise the Department, the Congress, and others on the public assistance programs and related activities and problems; and cooperates with other public and private agencies and organizations in these areas.

Needy people served by public assistance

Nearly 7 million people—the most economically disadvantaged in the Nation—today depend on public assistance for all or part of the income they have for basic living needs. These people—about 4 out of every 100 in our population—either are not eligible for financial benefits provided by other public programs or, if they are eligible, their financial needs—as their States define need—exceed the amounts they receive under other programs and have available from their own resources. They are financially needy for a variety of reasons. Some have passed hiring age and others have been displaced by automation or by changes in skills needed on the job. In some families, there is no breadwinner. Some people do not have the capacity to earn

enough to support themselves; their mental or physical ability fits them only for the lowest-paid jobs, if any, or they are poorly prepared educationally and vocationally. When industry relocates, some people are left behind with nowhere to turn for a job at home and not enough resources—personal or financial—to pull up roots and move to another place. Many of the recipients are dependent children whose parents are dead, disabled, absent from the home, or have inadequate earnings.

Along with their financial problems, public assistance recipients often suffer also from the physical and emotional impacts of prolonged economic deprivation, from growing old, illness, or long-term disability or from lack of, or inability to use, opportunities for health care, education, and appropriate employment. The largest proportion of the children receiving aid suffer from emotional conflict, hardship, and instability in their family life.

Families with children comprise the largest group among public assistance recipients today. In May 1959, about 956,000 such families received aid. They included 2.8 million children and about 1,037,000 adults—usually parents—responsible for the children's care. A little more than half (55 percent) of all public assistance recipients were members of these families. Most of the families (781,000) received *aid to dependent children*; one parent was dead or disabled, or the family was broken by divorce, separation, desertion, or because the parents were not married. The remaining families—estimated at close to 175,000—received *general assistance*; presumably both parents were in the home and neither was disabled, but earnings and other income were inadequate to meet needs. Many of these families were large, with special needs.

The aged—those over 65 years of age receiving old-age assistance—comprise the second largest group of public assistance recipients, 2.4 million, or more than a third of all those receiving aid. The largest proportion of aged recipients are women; many are widows. Half are 75 or more years of age. Most live in their own homes and are able to be up and about, but some are seriously ill at home or in an institution, usually a private nursing home.

Seriously disabled recipients numbered 337,000. Their disabilities have been diagnosed as permanent and total. Most have more than one impairment, with heart disease the most frequent. About 2 in 10 are so disabled that they cannot leave their homes. Women slightly outnumber men.

The blind who receive assistance (about 110,000) are totally blind or have very limited vision. Most have been blind for many years. In general, they are middle-aged or older; half are over 63 years of age. The larger proportion are men.

The remaining recipients (about 261,000) are single individuals, families of brothers and sisters, or childless couples and other adults who receive general assistance. They are unemployed or have insufficient earnings for their needs because they are temporarily ill or partially incapacitated, they have inadequate training and experience for job placement, or they are considered too old to be hired. They are still too young to receive a private pension, old-age, survivors, and disability insurance benefits, or old-age assistance. In some States, this group includes those without State residence, among them, needy migratory workers and refugees from other countries.

An unknown number of the families and individuals who receive general assistance also receive one of the special types of public assistance. The primary need of categorical recipients met through general assistance is for medical care; a few States—18 for aid to dependent children, for example—also supplement payments for maintenance needs from general assistance funds.

Financial assistance and other services for needy people

Financial assistance and other services provided under the public assistance programs are intended to supplement other public and private resources of recipients, their families, and their communities to provide the essentials of life necessary to preserve and promote health and well-being; and to help the families and individuals served make maximum use of their capacities to maintain or attain self-care, self-support, and stronger family living.

Public assistance agencies serve every community in the United States. In most communities other than sizeable urban areas, the public assistance agency is the only resource—public or private—to which needy people can turn for help beyond that available from their families and their churches.

Agencies help needy people primarily through financial assistance and the skills of their staffs. Financial assistance and the related social services provided by staff achieve their objectives to the extent that they support one another, and according to the quality and degree of leadership exercised by agency administration, the adequacy of staff size in relation to their responsibilities, and their skill in working with people.

In the fiscal year 1958, expenditures for the five public assistance programs totaled \$3,537 million, paid from Federal, State, and local funds. The bulk of this total—an estimated \$3,497 million—was spent either for assistance payments or for salaries of staff providing services to clients. In addition, another \$40 million was spent for costs of travel, communications, supplies and equipment, most of which was directly incurred in giving help to clients.

Financial assistance (money payments and payments to suppliers of medical care).—Financial assistance may be provided for basic living requirements (usually including food, clothing, shelter, utilities, household operation, and personal incidentals); medical needs; and special needs, such as telephone service for recipients who are housebound, housekeeping services, and needs related to employment. To protect the right and freedom of needy people to manage their affairs as other members of the community do, the Social Security Act specifies that the States must pay directly to the recipient the money they provide for other than medical needs, except in cases where guardians are appointed to represent the recipient legally. Primarily for practical and administrative reasons, since 1950, financial assistance for medical needs may be paid directly to the recipient or to the supplier of medical care. (The latter type of payment is often referred to as a vendor medical payment.)

In fiscal 1958, assistance payments to and in behalf of recipients totaled \$3¼ billion. Of the total, \$320 million was for payments directly to suppliers of medical and remedial care. The total provided for medical care is estimated at \$404 million, \$100 million of which

was included in money payments to recipients. Expenditures were distributed as follows among the programs:

Program	Total assistance payments	
	Amount (in millions)	Percentage distribution
Total.....	\$3, 251	100.0
OAA.....	1, 798	55.3
ADC.....	815	25.1
AB.....	86	2.6
APTD.....	212	6.5
GA.....	340	10.5

What the total expenditures mean to recipients is more clearly demonstrated and evaluated, when they are converted to an average monthly payment per recipient or per case.

The national average monthly amounts of assistance paid per recipient were about the same in December 1958 for all three federally aided programs for adults—the aged, blind, and disabled. The highest average payment was \$68.29 for the blind; and the lowest, \$62.58 for the disabled. The amount for old-age assistance was \$64.10.

In contrast, the national average amount paid per recipient for aid to dependent children was only \$28.29. This was less than half the lowest national average paid in the three adult categories. Average payments for aid to dependent children were smaller than for the other three special programs in every State—and by substantial amounts. Part of the large differences between aid to dependent children and the other three federally aided programs may be due to more costly and frequent unusual needs among the aged, blind, and disabled, particularly for medical care. The lower Federal matching maximums for aid to dependent children, which have existed during the lifetime of the programs, also undoubtedly have influenced State programs.² Basically, however, State assistance standards are lower for aid to dependent children and purposefully so; States have shown themselves less prepared to provide funds for aid to dependent children—for maintenance, medical care, or unusual needs.

The average amount (\$68.88) per *case* in general assistance (averaging almost three persons) was about the same in December 1958 as the amount paid per *person* for the blind. In the majority of States, average payments per recipient of general assistance also falls considerably below even the relatively low payments per recipient for aid to dependent children.

Medical care.—Considerable variation also occurs among programs in the kinds and amounts of medical care provided.

In fiscal year 1958, hospitalization costs represented by far the largest part (43 percent) of medical care expenditures for payments directly to suppliers, in States reporting a complete distribution of costs by types of service. Costs of nursing and convalescent home care accounted for the next largest share (about 20 percent) with drugs and supplies third (14 percent). The remaining costs were distributed almost evenly between practitioners' services and other items. State

² The current maximum, on an average basis, for the adult categories is \$65 per recipient per month; for aid to dependent children, \$30.

provisions in January 1958 for financing¹ medical care for the adult categories covered nursing home care more frequently than any other item. For aid to dependent children, the item most frequently covered was drugs.

About half the total costs of medical care for the five public assistance programs were incurred for the aged, because the aged represent by far the most numerous group of adult recipients and because aged people often need or are given the most costly types of care, i.e., hospital and nursing home care. Many aged persons are in nursing homes, however, only because sufficient effort has not been made to provide living arrangements more suited to their needs. Studies conducted by the Public Health Service and individual States indicate that at least half the aged in nursing homes could be cared for more appropriately in their own or foster homes.

Medical care expenditures for general assistance cases and for aid to dependent children families each represented about 14 percent of total vendor medical payments. The disabled received about 9 percent; and the blind, somewhat less than 2 percent.³

Per recipient of assistance, the average amounts expended from funds for the special types of public assistance for vendor medical payments varied for the four federally aided programs in March 1959 as follows:⁴

OAA.....	\$8. 15
AB.....	4. 96
APTD.....	9. 75
ADC.....	1. 69

Social services provided by staff.—Many families and individuals who come to public assistance agencies for financial aid have both the capacity and the resources to deal with their problems with little help, other than financial, from the agency. Others, however, because they lack capacity or resources, do need help. Among these are families and individuals with serious and multiple problems who are of particular concern to the community and have been public charges for some time.

When staff give help, they do it in one or more of the following ways: (1) they provide the applicant or recipient with information; (2) they refer him to other needed resources within the agency and the community and help him to use them effectively; (3) they help and support him in dealing with his personal and family problems. The extent to which these kinds of services are provided depends on the size and the training and experience of staff.

Provisions in the Society Security Amendments of 1956 relating to services stimulated States to plan for services more specifically than formerly. State plans as of July 1957 identified a variety of problems for which services would be provided. Foremost was health, but employment, housing, family relations, and children's problems were also among those most frequently included.

With regard to medical needs, public assistance staff help clients in adjusting to need for medical care, finding the proper medical facilities, and handling problems that may arise during hospitalization of the client.

³ For the remaining amount, which was paid from general assistance funds, information is not available to indicate how it was allocated among the various groups of recipients.

⁴ Comparable averages for general assistance are not available.

Needy old people often have problems of finding satisfactory living arrangements. Staff help them in adjusting to living with their children or finding another place to live, finding a nursing home to live in if they need such care, or securing homemaker services, if needed, in their own homes.

In some States, staff maintain continuous contact with families receiving aid to dependent children who have special problems. For example, in families deserted by the father, staff help the family to locate the father, to develop or rekindle his interest in his family, to obtain financial support from him, and, if possible and desirable, to effect a reconciliation.

No data are available that will show directly the cost of providing services under the public assistance program. All such costs are included by the States, without separate identification, in the total spent for administration. The proportion of agency costs other than for financial assistance that can be fairly assumed to be direct service costs, therefore, can only be inferred from the functions performed by staff. A recent special inquiry of the States by the Bureau of Public Assistance showed that about 69 percent of total expenditures for administration were directly or closely related to providing services—51 percent for direct services to individuals applying for and receiving financial aid or other agency services and 18 percent for closely related social work functions. Another 14 percent was for travel, communications, supplies, and equipment, most of which was incurred in determining need for financial assistance and providing other services. Thus, close to 83 percent—about \$260 million—of total administrative costs for public assistance can fairly be considered as service costs. (The remaining costs—about \$54 million—were for fiscal employees and for other staff performing general administrative functions, and for janitors and custodial workers, truckdrivers, messengers, etc.)

The public assistance staff

At the end of the fiscal year 1958 about 57,800 persons worked on public assistance programs. The largest group of them—more than two out of five—are caseworkers who provide services directly to clients, usually in local communities. The remaining staff support and assist the caseworkers. They perform major facilitating functions similar to those necessary in all large and multifunctional organizations—public or private.

The staff of public assistance agencies generally is small in relation to the responsibilities they are expected to carry. The size of the workload carried by visitors is probably the most important source of variation, among States, in the scope and quality of service provided. For example, for the fiscal year 1958, the median caseload per visitor for the United States was 220 for old-age assistance and about 88 for aid to dependent children. The highest number of cases per visitor in any State for old-age assistance was over 500; the lowest, just under 100. For aid to dependent children, the range was from well over 200 to fewer than 50.

There are not enough trained social workers to fill all social work jobs, and public assistance agencies are handicapped in competing with other social work agencies by the relatively low public assistance salaries and by the relatively large and difficult workloads public

assistance workers must carry, sometimes with minimal agency support in supervision and facilitating services.

The most recent information on education and experience of public assistance workers was collected in 1950 (another study is in preparation). According to the 1950 study, only about 66 percent of public assistance workers had a bachelor's degree or better. Fewer than a fourth reported any study in graduate schools of social work. Only about 4 percent of all public assistance employees, and less than 2 percent of the workers dealing directly with clients, had completed 2 or more years of graduate study. Almost one-tenth had no more than a high school education. The supervisory and consultant staff, however, generally had more education than the workers who deal directly with clients. The proportion of caseworkers with some social work training varied among States but did not exceed 38 percent in any State and was below 10 percent in at least 16 States.

APPENDIX B

FINANCIAL NEED MET BY PUBLIC ASSISTANCE PAYMENTS, END OF CALENDAR YEAR 1958

(Prepared by staff for the Advisory Council)

SUMMARY OF FINDINGS

Public assistance payments are intended to fill the income gap for needy people whose income otherwise is inadequate to provide them with essential goods and services for health and well-being. The assistance programs have come an impressive distance—since 1936—in providing help to additional groups of needy people, at increasing average amounts per recipient. Federal, State, and local governments all have increased their expenditures substantially. How close do the programs come, today, to meeting their objective? To what extent do the assistance payments meet need? This is a difficult question, primarily because we have no standards accepted as applicable across the Nation, which reply to the question: What quantity of goods and services, of what quality and at what cost, is required to live in health and well-being in America today?

Our American standards for health and well-being assume that every human being needs:

Food, enough and of the right kinds to nourish his body and of variety and quality consistent with his eating tastes and habits. If he eats at home, he must also have cooking facilities, along with pots, pans, dishes, and utensils to prepare and serve the food, and refrigeration to preserve it.

Clothes, and the wherewithal to keep them repaired and cleaned.

A decently furnished, clean place to live, with light for the night, warmth against the winter, a supply of water, and sanitary facilities.

Incidentals for personal grooming so that he can clean and decorate his person according to the fashion of his fellows.

At least a little extra for a newspaper, the Sunday church collection, etc., so that he can participate in family, church, school, and general community activities.

These items, in public welfare parlance, are called the basic living requirements. In addition to these everyday—or basic—requirements, present-day American standards of living also assume that our people should be able to have medical care when they need it, at least to cure or ameliorate illness. Increasingly, the assumption is prevalent that medical services should also be available to prevent sickness.

This report presents two estimates responsive to the question on how close public assistance payments come to being adequate to meet need among public assistance recipients.

The estimates are partial and, in some respects, they can best be described as educated “guesstimates.” They are for just two of the five public assistance programs, albeit the two largest—old-age assistance and aid to dependent children. In addition, the figures are based only on the numbers of persons who were receiving aid late in calendar year 1958. The estimates would be larger if they took into account the total number of all low-income individuals and families in the Nation who might be “needy” under tests or measures that would define the minimum standard of living necessary for health and well-being at a higher level than many States now do for public assistance.

Two sets of estimates were prepared—based on two measures of the total costs of basic living requirements: (1) State cost standards in use late in 1958, and (2) an estimate of cost based on the low-cost plans compiled by the U.S. Department of Agriculture for food—the one item for which agreed-upon measures applicable across the Nation are available. In the second estimate, total basic requirements are estimated at not less than twice the USDA food costs. (See discussion in later section for rationale.) Thus, under the second estimate, the cost figure for basic needs for each State is the total based on cost of the USDA food plans or the amount in the State cost standards, whichever is higher.

The first estimate (based entirely on State standards) indicates the extent to which assistance payments meet need as the individual States define need. The second estimate (based on the food budgets of the USDA) is one attempt—a conservative one—to gage how nearly adequate State assistance standards are for basic needs.

No basis at all is available for estimating the total amounts required by assistance recipients for medical care. The necessary data are lacking for even a rough measure to estimate costs of essential services. No estimate could be made, therefore, of the extent to which public assistance payments meet need for medical care. Such care, however, is an important item of need among recipients of public aid, whose poverty results in health neglect that both causes and aggravates illness and disabilities. This is shown by the fact that payments for medical care—even as now provided—represent considerable proportions of total assistance costs in many States. This item, then, could not be entirely left out of the estimates. Since a better base was lacking, an estimate was made of the increase in medical care costs that would occur if all States provided, under public

assistance programs, medical care similar in scope and cost to the care provided through public assistance among the 24 States above the median cost for the Nation.

In December 1958, about 7 million men, women, and children in the United States received assistance, compared with more than 5¼ million in June 1936. Federal, State, and local governments spent about \$303 million in December 1958 to provide assistance to the needy—a bill that was about 6 times the one they paid in June, 23 years earlier. Of the numbers receiving aid, the aged and children have increased most, proportionately—as our population has been ever more heavily concentrated among the very young and the old. Average monthly assistance payments for the aged and those helped on the children's programs just about tripled during the 23 years. Although most of the increase was eaten up by the substantial decline in the purchasing power of the dollar, significant—if modest—gains were made in the amounts of goods and services made available to recipients. The most rapid declines in dollar value have come in the years since World War II. During that time, the purchasing value of average monthly payments to the aged went up more than \$11.50—somewhat more than a third—while the dollar amounts more than doubled. The increase for aid to dependent children was smaller. The “real” value of aid to dependent children payments went up somewhat more than \$4 per recipient or a little more than a fifth; the dollar amount went up more than \$14.

Recipients of public assistance in December 1958, then, were “better off” in purchasing power than those who received aid 14 years earlier. But how well off were the 1958 recipients in relation to what they needed to live in health and well-being? Only by answering this question can we have a basis for judging how far the public assistance programs have come in meeting their objectives and how far they have yet to go. Comparisons with the past give us real cause for pride and pleasure in our progress as a Nation. But comparison of today's assistance payments with need—even roughly and partially estimated—indicates cause for concern about the effects in many States of inadequate assistance payments on needy people—particularly the children.

“Need” for any individual is his income gap—between the total cost of his living essentials and the resources he has, on his own, to meet that cost. Assistance payments are intended to fill the gap for recipients. In fact, however, assistance payments meet need in widely varying degrees among the States and the various regions of the country. A considerable number of States meet all—or practically all—need for aged recipients of public assistance, whether the amount of their need is estimated under their States' own standards or under the measure based on USDA food plans. About a fifth of the States also meet full need for aid to dependent children—under their own standards. But only one State can be considered to meet 100 percent of need for aid to dependent children under a measure based on USDA food costs.

Estimates related to living requirements of recipients late in 1958 indicate that the States, as a group, failed to meet need, as they themselves defined it, by substantial amounts—a total of about \$107 million (at an annual rate) for old-age assistance and about \$148 million for aid to dependent children; \$255 million for both

programs combined. Estimates of additional unmet need due to inadequate State cost standards for basic requirements indicate that the total deficiency in assistance payments—at an annual rate—may be as high as \$115 million for the aged; as much as \$670 million for aid to dependent children, making a total for the two programs of about \$785 million. In other words, for the Nation as a whole, public assistance payments to aged persons met about 94 or 95 percent of their need for assistance (excluding medical care); payments to aid to dependent children families did not meet more than 86 percent of need and may have met as little as 57 percent.

The annual figures become more meaningful when they are converted to an average monthly amount per recipient. Unmet need averaged about \$3.70 per month per aged recipient under State standards; about \$4, at the highest, under estimates in which costs for basic living requirements were related to USDA low-cost food amounts. These amounts of unmet need may appear small, until they are compared with estimated costs of living essentials—food, for example. The estimated deficiency of \$3.70 to \$4 represents half or more of the cost of 1 week's food under the USDA low-cost food plan priced at the U.S. average, as that cost was computed, on the average, for aged persons receiving assistance.

Unmet need on the children's program averaged out at about \$4.50 per recipient per month under State assistance standards. Under the other measures used, the deficiency goes as high as \$21.30 per recipient monthly—the cost of more than 3 weeks' food per recipient under the USDA low-cost food plan.

When the figures for estimated increases in medical care expenditures are added to the amounts of unmet need for other requirements, the total of needed increases in assistance expenditures, of course, goes even higher. The estimated amount of needed increases for the Nation as a whole then ranges from a low of \$577 million annually to more than \$1 billion, or from about one-fifth to two-fifths of total assistance payments for old-age assistance and aid to dependent children annually, based on expenditures in December 1958.

The remaining sections of the report discuss the following subjects related to these estimates:

- Estimates of unmet need under State cost standards:

 - How the States develop their assistance standards.

 - How the States determine need for an individual recipient or family.

 - States that meet less than 100 percent of need under their own standards.

- Estimates of unmet need due to inadequacies in State cost standards for basic requirements:

 - Evidence of inadequacies in State cost standards.

 - The cost estimates for basic requirements based on USDA food plans—their basis, their conservative bias, their purposes and limitations.

 - Results of the estimates.

- Estimates of needed increases in medical care expenditures.

- Problems and questions related to financing adequate public assistance payments.

An attachment to the report gives a brief description of the sources used in the estimates.

ESTIMATES OF UNMET NEED UNDER STATE STANDARDS

How the States develop their assistance standards

The Social Security Act leaves to each State the responsibility for defining need for public assistance. As a consequence, States vary widely in the content and cost of living requirements that they use to determine who the needy are and the amount of assistance they will receive. Assistance standards also frequently vary within States among the different groups of the needy—the aged, families with dependent children, the blind, disabled, and those aided on general assistance.

Objective assistance standards are established in two steps that require the specialized knowledge and training of a professional home economist. The first step is to define the kinds and amounts of goods and services which represent the essentials of living. For example, in this step is determined how many pairs of shoes an individual will need to buy in a year's time and how many times he will need to have them repaired. The second step is to price the articles and "weight" them, to get a monthly cost figure. For example, if it is determined that a growing child needs two pairs of shoes in a year, the cost for the year for his shoes would be twice the price per pair; the cost for 1 month is one-twelfth of the yearly cost. This process is repeated for all living essentials and the cost figures are summed to get the total figure that is used to differentiate the "needy" from the "un-needy." Those whose total income and resources are less than the total amount for requirements under the State's standard are "needy"; others are not.

For food, many States have for a long time used the low-cost food plan developed by the U.S. Department of Agriculture, although not always the most recent version in content and cost. (See later section for brief discussion of the USDA food plans.) For all other items, each State agency has to provide its own listing of kinds and amounts of goods and services, with their prices. Only a few States (five or six) appear committed to determining requirements objectively at current price levels, even though about one-third of the State welfare departments employ home economists who could do the job. Explanations as to why this is so vary among States and from time to time. One of the most common explanations lies in the futility of revising and pricing standards currently if, because of limited State-local appropriations, need cannot be met in full even under outdated standards.

How the States determine need for an individual recipient or family

Although the individual States have substantially different policies and procedures for determining need, most of them use the following general approach, commonly called a means test; more properly called a needs test.

The staff member taking the application for assistance computes the cost of the individual's or family's basic requirements according to the State standard, which specifies the quantity and cost of stated essentials. The standard may also include provision for some special items, such as a telephone for a disabled 70-year-old, or, for a young-

ster with a paper route who needs a bicycle, an allowance from his earnings to buy it and keep it in repair.¹

The worker then compares the total amount required for basic essentials and for special needs, if any, with the amount of income and other resources the individual has. Such resources may include cash income (an important resource for many aged persons, for example, is their old-age and survivors insurance benefit), goods and services, and other assets that may meet one or more requirements. (For example, an aged person may live with a self-supporting son or daughter, so that his shelter costs do not have to be provided for in his public assistance payment.)

The gap between the total amount required by the individual and the amount of his income and other resources is the amount of his need. In States meeting 100 percent of need under their assistance standards, the amount of the assistance paid to the individual is the same as the amount of his need. Of the 48 States and the District of Columbia for which estimates were made for this report,² only 13 provide assistance to meet full need for old-age assistance; only 12 States meet full need for aid to dependent children.

States that meet less than 100 percent of need under their own standards

The remaining States included in the estimates—36 for old-age assistance and 38 for aid to dependent children—meet less than 100 percent of need for some or all recipients. These States set a maximum on the amount of assistance that any individual or family can receive in any one month; a few, by policy, pay a proportion (less than 100 percent) of determined need; and some States do both. Almost all those that both impose maximums and pay a reduced proportion of need are low-income States.

The States vary widely in the stringency of their policies for reducing assistance payments below the amount needed and in the effect of such policies on the extent to which need is met. For old-age assistance, it is estimated that one or two States meet as little as about two-thirds of the total amount of need among all recipients. In eight, however, reduction policies affect very few recipients. In these States old-age assistance payments meet 99 percent or more of need. For all but 10 States, assistance paid to the aged meets roughly 90 percent or more of need.

For aid to dependent children, deficiencies in assistance payments (as reported by the States) are much more serious. One State, at the close of 1958, was paying as little as 28 percent of need determined under State standards; the percent of need met was not more than two-thirds in 6 other States; and only 11 of the 38 States that pay less than 100 percent of need met as much as 90 percent.

For the Nation as a whole, assistance payments represented about 95 percent of need determined under State standards for the aged, only 86 percent for families with dependent children. Distinct regional differences—similar for the two programs—are revealed when data on the extent of need met under State cost standards are compiled for the four regions defined by the Bureau of the Census—on the basis of social and economic differences revealed in census data—as

¹ See footnotes, table 2, for requirements covered by estimates.

² Excluding Alaska, Hawaii, Puerto Rico, the Virgin Islands, and Guam for which other data used in the report (on per capita income and/or the amount of State-local revenues per \$1,000 of income payments) are not available.

the Northeast, the North Central, the South, and the West.³ For both old-age assistance and aid to dependent children, the estimated proportion of need met under State cost standards was highest in the Northeast and the West, lower in the North Central States, and lowest in the South. In all regions but the Northeast, the percent of need met for aid to dependent children was lower than for old-age assistance. The percents that assistance payments represented of need, as it was determined under State standards toward the close of calendar year 1958, varied as follows among the four regions.

[In percent]

	OAA	ADC
United States as a whole.....	94.6	85.7
Northeast.....	99.4	99.3
North Central.....	96.5	86.5
South.....	88.6	68.2
West.....	99.4	97.8

The significance of these regional differences as they relate to problems of financing adequate public assistance payments is discussed in the last section of this report.

ESTIMATES OF UNMET NEED DUE TO INADEQUACIES IN STATE COST STANDARDS FOR BASIC REQUIREMENTS

Evidence of inadequacies in State assistance standards

The full extent of inadequacies in assistance payments to fill the income gap for needy people cannot be measured by comparing payments with State standards of assistance. Standards, themselves, in many States are inadequate. This is true both among States that provide for meeting full need under their own standards and those that do not. Some States have not priced standards or have not revised their content recently enough to maintain their currency in providing all presently accepted and validated essentials of living, in adequate quantities of standard quality, and at current prices. Other inadequacies in assistance payments result from State policies for evaluating resources of recipients. Assistance payments are inadequate, for example, if States presume that income is available when, in fact, it is not—from sons and daughters of aged persons, for example, or from fathers who have left their families.

No data are available for estimating the effects of State policies and practices in evaluating resources on the amount of need met by assistance payments. Amounts of recipients' resources, in cash or in kind, that were used in the estimates were based on amounts as evaluated by the States and used by them in determining the amount of recipients' need and their assistance payments.

³ Regions:

Northeast: Connecticut, Maine, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, Vermont.

North Central: Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, South Dakota, Wisconsin.

South: Alabama, Arkansas, Delaware, District of Columbia, Florida, Georgia, Kentucky, Louisiana, Maryland, Mississippi, North Carolina, Oklahoma, South Carolina, Tennessee, Texas, Virginia, West Virginia.

West: Arizona, California, Colorado, Idaho, Montana, Nevada, New Mexico, Oregon, Utah, Washington, Wyoming.

Evidence of inadequacies in the amounts included for basic living essentials in State cost standards for requirements, however, is provided in the reports on assistance standards submitted by the States to the Federal Bureau of Public Assistance. State agencies reported information on cost standards for July 1958 for three types of old-age assistance recipients and three types of aid to dependent children families. (See appendix C: "Monthly Cost Standards for Basic Needs Used by States for Assistance Budgets, Specified Types of Old-Age Assistance, and Aid to Dependent Children Cases, July 1958"). The cost figures for food under the State standards for these typical cases—both for old-age assistance and aid to dependent children—were smaller in almost all States than the amounts for food suggested for individuals and families of similar composition under the USDA low-cost food plans priced as of August 1958.

Since the State cost standards for food demonstrably—and with few exceptions—fall substantially below amounts in the generally accepted USDA plans, cost figures for other items in State standards probably would also prove inadequate, if we had an objective, national standard to measure them against. It is this assumption that prompted the second set of estimates in this report of unmet need among recipients of public assistance, the estimates in which the total cost for basic requirements is estimated at twice the amounts in the USDA low-cost food plans.

The cost estimates for basic requirements based on USDA food plans

*Basis of the estimates; the USDA food plans.*⁴—For more than 25 years, the Institute of Home Economics in the U.S. Department of Agriculture has regularly estimated U.S. average costs of weekly quantities of food suggested for persons of specified age and sex. These cost estimates are for food plans designed to provide a diet both nutritionally adequate and acceptable in terms of American family food practices for meals prepared at home from the family food supply. They are based on the recommended dietary allowances of the National Research Council—generally recognized as desirable nutritional goals for the United States. To reflect differences in food practices of families with different amounts of income, three plans are provided—at liberal, moderate, and low-cost—based on food practices, respectively, of families whose incomes are among the upper third, middle, and lowest third of all families. During the 25 years of their availability, these food plans have been generally accepted as guides for estimating food needs for population groups, at various levels of cost. The low-cost plan, as already pointed out, has been adapted by many welfare agencies to estimate needs of dependent families.

Starting in the fall of 1959, the U.S. Department of Agriculture is also making available cost estimates for each of the three food plans—low, moderate, and liberal—separately for each of the four Census-defined regions—the Northeast, North Central, South, and West. In addition, the estimates now include a special adaptation of the low-cost plan for the southern region. The costs of the food plan

⁴ For further detail on these plans, see *Family Economics Review*, October 1957, pp. 1-15 and September 1959, pp. 12-14 and 17. The food cost data used in the estimates of unmet need were for July 1959; no significant differences in food costs, however, were estimated by the U.S. Department of Agriculture for July 1959 as compared with January 1959, the month closest to the period for which data on public assistance programs were used in the report.

vary among regions because families choose differently among the individual food items that add up to the total quantity suggested for each of 11 broad food groups. The differences do not reflect variation in prices for the specific food items. As a matter of fact, available data from the Bureau of Labor Statistics indicate that food prices for the same item vary little across the country, too little to make significant differences, in themselves, in the cost of the food plans.

The estimates of total basic requirements included in this report take cognizance of all the variations in the low-cost food plan that have been published by the U.S. Department of Agriculture, namely:

1. The standard low-cost plan:

- (a) U.S. average.

- (b) By region.

2. The adaptation of the low-cost plan for the southern region.

For each variation, the total amount for all basic requirements is estimated at twice the amount for food included in the specified low-cost USDA plan.

An evaluation of the estimates as to their tendency to understate need, their purpose, their limitations, and results are discussed in the sections that follow.

Tendency of the estimates to understate need.—Any estimates of basic requirements for the low-income groups aided by public assistance are likely to understate the amount required if they are related to low-cost food plans—no matter how those plans are priced or what foods they include. As already stated, the low-cost food plans often are used as guides to food needs for assistance recipients. In so using the low-cost food plans, however, we expect assistance recipients to be better buyers, better planners, more ingenious cooks, and more knowledgeable about nutrition requirements than most of the rest of us are. Most food plans for the physically disabled—for instance the blind—include an allowance for wastage that results from their handicap. Many low-income families are handicapped by unusual lack of education and knowledge, yet the low-cost food plans allow for less wastage than the moderate and liberal plans, which are considered to be applicable to higher-income groups, who—by the very fact of their higher income—are less handicapped in budgeting their incomes than the needy aided by public assistance.

In addition, the costs of the USDA food plans were assumed to be 50 percent of the total for all basic requirements deliberately to insure that the estimates would not overstate amounts of unmet need. (Throughout the estimates, as a matter of fact, effort was made to give the benefit of the doubt to current State standards and assistance payments in gaging whether or not they are adequate.)

In most States, food costs included in State standards—especially for the aged—represent less than 50 percent of the amount for total basic requirements. For the typical cases for which State standards were reported for July 1958, the amount for food for an aged person living alone, for example, represented less than 50 percent of the amount for total basic needs in all but 1 State. In half the States the proportion was above 32 percent, and in half below. The relatively small percents for food in State cost standards, account for the fact that total State cost standards for old-age assistance, in most States, appear to be adequate under the measure based on USDA food costs, even though the costs for food are inadequate under the

USDA low-cost plan. In most States, in other words, State cost standards provide smaller amounts for food than those suggested under the USDA low-cost food plans; on the other hand, for other basic items, State standards provide larger amounts than is assumed under the measure in which the total amount for all basic items is estimated at twice the amounts for food in the USDA low-cost plans.

For aid to dependent children, the proportions of total costs for food in State standards were higher. In 12 States food costs for a mother and 3 children, for example, represented as much as 50 to 59 percent of the total amount for basic living requirements; and in 3 States, more than 60 percent. The median proportion, for all States combined, however, was less than 50 percent; in half the States, food was below 45 percent of the total. (See app. C for State detail.)

For aid to dependent children, the estimates are conservative also because the underlying data on requirements reported by the States for aid to dependent children include more than basic requirements. All data used in this report on amounts of requirements, income other than assistance, need, assistance payments, and unmet need under State standards for aid to dependent children were reported by the States in a special study for a specified month in the last quarter of calendar 1958.⁵ In this special study, the figure reported for requirements was the total amount to which money payments to families were related, including not only basic needs, but also special needs, and whatever amounts for medical care were included in money payments to the families. It was this total for all needs that was compared with the estimated costs of basic requirements alone based on USDA food costs. Estimated unmet need for basic requirements for aid to dependent children based on USDA food costs, therefore, tremendous as it is, still understates the amount of deficiency in State standards for basic needs. Instead, it shows the amount by which assistance paid directly to families for all needs falls below what is needed for basic requirements alone. Most States undoubtedly include some amounts for special needs among requirements for aid to dependent children cases. All but about a dozen States indicate that they also include allowances for medical care in computing the amount of the money payment. For old-age assistance, it was possible to estimate separately the amount for basic requirements, from the data on amounts for typical cases reported for July 1958. For that program, therefore, the estimate of unmet need under the measure related to USDA amounts is for basic requirements only.

The limited purpose and value of the estimates.—The estimates of total requirements based on USDA food plans are intended to have a limited and specific purpose. They are not intended to set goals for the public assistance programs. Nor should they be interpreted, in any sense, as specifying an acceptable standard for requirements. They are used only to indicate, conservatively, the magnitude of need for public assistance at a specified time—under rough measures that are used only because appropriately developed standards are not available. For this purpose, they are believed to be reasonably reliable. An earlier section of the report describes how objective standards are appropriately developed—painstakingly, item by item, and on the basis of professional know-how. The measures of total

⁵ Data by State are shown on table 4 for aid to dependent children. Similar data by State are not available for old-age assistance, for which only regional figures are shown in this report.

requirements used for the estimates in this report are not even a pale substitute for such a standard. If they were used or interpreted as standards, either nationally or in individual States, great harm possibly could be done to the needy people affected.

Results of the estimates based on USDA low-cost food plan

For the United States as a whole, estimates of the percent of need met do not vary significantly—for either old-age assistance or aid to dependent children—no matter what cost of the USDA food plan is used to estimate the cost of total basic requirements. All three estimates indicate that, for all States combined, payments to aged recipients meet about 94 percent of need for assistance; and aid to dependent children payments about 57 or 58 percent.

For old-age assistance, estimates for individual regions also are very similar under the different cost figures for food: Assistance payments are estimated to meet more than 99 percent of need for assistance in the Northeast and West; about 96 percent in the North Central; and about 88 percent in the southern region.

For aid to dependent children, however, substantial differences occur among the several estimates for the individual regions. Further, the figures reveal that the best done for aid to dependent children in any region is not as good as the least done in any region for the aged; the highest percent of need met for aid to dependent children under any of the estimates is 86 percent (in the West); the lowest percent for old-age assistance is 88 percent (in the South). The percents of need met for aid to dependent children, by region, under the several estimates are as follows:

	[Percent]			
	Region			
	Northeast	North Central	South	West
1. Standard low-cost plan:				
(a) U.S. average costs	79.5	64.0	33.6	86.1
(b) Cost computed for the region	71.4	60.5	38.2	78.6
2. Special adaptation of food plan for the South.			40.2	

Further details on the estimates are shown in table 3 including the estimated average amount of unmet need per recipient per month, the estimated total of unmet need at an annual rate, and the percentage increase in assistance needed to meet need.

ESTIMATES OF NEEDED INCREASES IN MEDICAL CARE EXPENDITURES

Basis and rationale

For reasons explained in the summary of findings, estimates included in the report for medical care are related not to need for such care but to present costs under the State public assistance programs. They show how much medical care expenditures for public assistance would increase if all States provided medical care through public assistance in the scope and at the median monthly cost per recipient in the half of the States with public assistance costs—in December 1958—above the median for the country as a whole. The median amount computed for the Nation was for all 49 States, including those that do not provide for medical care through public assistance.

For old-age assistance, estimates were based on the amounts of medical care provided both in the money payment (estimated) and through payments to suppliers. For aid to dependent children, the estimates were related only to expenditures for payments to suppliers. Data on medical care provided through the money payment were not available on any basis that would permit estimates related to data on requirements reported by the States for late 1958. The resulting average total monthly amounts estimated to be spent under public assistance programs were \$20 per recipient for old-age assistance and \$3.25 per recipient of aid to dependent children.

The rationale for the estimate of medical care costs is as follows. Many of the States providing for the broader scope of medical care under public assistance programs are high or middle-income States. This fact might lead to a conclusion that the estimates overstate any reasonable expectation of expenditures in other States—many of which are low-income States, where medical care costs per unit of service may be lower than in other parts of the country. Granted that medical care fees and charges may vary more than the costs of other goods and services, logical arguments can be presented as to why lower fees and charges in some States would not necessarily result in lower average expenditures for medical care for public assistance, if all States assumed similar responsibilities. Indeed, the States currently assuming greater responsibility might have to spend less than other States in total—and perhaps even on the average—to meet medical needs under a commonly applied standard of requirements. The States now assuming the broader responsibility have the following advantages: (1) Since they are, generally, among the higher-income States, smaller proportions of their population can be assumed to be suffering from the effects of extreme poverty on health. (2) For the most part, they do a better job on meeting need for basic living requirements than the other States do. Fewer of their recipients of public assistance, therefore, would suffer from malnutrition and from illness due to poor housing and inadequate clothing. (3) Many of them have assumed responsibility for medical care costs of the needy for some time, so that fewer of their recipients, perhaps, will be in the acute, emergency stages of illness, which come with neglect and result in costly care. (4) Since a goodly number of them have a highly industrialized economy, they also include a larger number of sizable metropolitan areas than the other States, most of which have a predominantly rural economy. It is primarily in larger metropolitan areas that public and private resources other than public assistance are available for meeting medical needs, so that the cost for medical care for needy people falls somewhat less heavily on public assistance programs.

While, for the reasons given, the estimates of medical care expenditures are considered to be not unreasonable as an indication of what might be spent for somewhat better care across the Nation, they should not be interpreted, in any sense, as indicating need for medical care. Nor should they be interpreted as an endorsement as "adequate" of the scope of responsibility assumed under public assistance programs in those States whose programs provided the estimated amount applied to all States, by reason of the fact that their costs now exceed the median for the Nation as a whole.

Results of the estimates on medical care

The increases in expenditures for medical care provided under public assistance programs estimated under the described methodology came to about \$322 million, at an annual rate. As in the case of other needs, most of the increase (more than two-thirds) was estimated for the southern region. Unlike estimates for other needs, however, most of the increase for medical care expenditures was estimated for old-age assistance (about \$268 million) rather than for aid to dependent children (\$54 million). Data on the estimates for old-age assistance and for aid to dependent children and for each of the four regions are shown in table 1.

PROBLEMS AND QUESTIONS RELATED TO FINANCING ADEQUATE PUBLIC ASSISTANCE PAYMENTS

The estimates indicate that an additional \$577 million to more than a billion dollars would have to be spent by Federal, State, and local governments to meet 100 percent of need among recipients of old-age assistance and aid to dependent children for requirements other than medical care and to bring medical care expenditures in all States up to the level in States now assuming broader responsibilities. The figures, by region, raise some problems and questions about the feasibility of increasing public assistance expenditures—even by the amounts indicated in the partial, and conservative estimates included in this report.

The regional figures on estimated amounts of needed increases in assistance expenditures can be better evaluated if they are analyzed against data on fiscal effort made for all public services by States in the various regions. (Such fiscal effort is measured by the amount of general revenues from State-local sources per \$1,000 of income payments in the State.) Current fiscal effort in any State not only indicates what the State already does in drawing public revenues from available income in the State but also provides a basis for inference about the feasibility of increasing the effort to increase public assistance expenditures.

The four regions each include States that are fairly homogeneous; that is, generally they were more like each other in social and economic patterns revealed by census data at the time of their definition than they were like States in other regions. Each region, however, includes States with substantially different average amounts of per capita income—some from among the 12 highest in per capita income and some from the 25 middle-income States. All the 12 lowest-income States are located in the north-central and southern regions.

Fiscal effort for all public services exerted by an individual State within a region—and the degree also to which the State meets public assistance needs—both appear to be influenced by two factors—the general social and cultural patterns of the region in which the State is located and its own individual fiscal resources. Thus, for example, three States with average per capita income considerably above the national average are included in the southern region. Their cost standards—or the percent of need that they meet—is somewhat higher than is common for other States in the region. They are lower, however, than for high-income States in other regions, where public assistance standards tend generally to be higher. In addition, the fiscal effort for all public services in the high-income States included

in the southern region is lower than in other high-income States. In the same way, 2 among the 12 lowest-income States are included in the North Central States. These two States have higher assistance cost standards and make more fiscal effort than other low-income States in the southern region, where both fiscal effort and public assistance standards generally are lower than in the north central region.

Data on fiscal effort for all public services in each region, with States grouped according to their per capita income, are as follows:

Region	Fiscal effort for all public services ¹			
	For the region as a whole	For States in the region which rank among all 49 States in per capita income, 1955-57, in the specified group		
		Highest 12 States	Middle 25 States	Lowest 12 States
Northeast.....	\$96. 68	\$92. 26	\$100. 22	-----
North central.....	106. 34	89. 64	102. 41	\$145. 14
South.....	102. 98	77. 48	106. 84	109. 09
West.....	120. 23	115. 28	121. 33	-----
United States.....	106. 50	92. 58	108. 70	115. 10

¹Amount shown is unweighted average for the specified group. See app. K for State detail.

Considering the relatively low fiscal effort for all public services now exerted among States with highest per capita income (except in the West) the inference probably could be drawn that if public attitudes permitted, these States could increase public assistance expenditures to meet 100 percent of basic needs, for both old-age assistance and aid to dependent children—even under improved aid to dependent children standards. A similar inference could be drawn that some middle-income States—particularly those in regions outside the West—could increase public assistance expenditures as necessary, since obviously all these States do not now make equal fiscal effort for public services. Finally, even some of the lowest-income States perhaps could increase expenditures somewhat; witness the considerably higher fiscal effort for the two lowest-income States in the north central region. A more complete fiscal analysis for each of the States than was done for this report—or is available—would be necessary to evaluate the validity of these inferences.

It is possible, however, to indicate the increase in fiscal effort for public services that would be necessary to increase public assistance expenditures as indicated in the estimates in this report. Such figures indicate serious problems in financing adequate assistance payments especially for the 10 lowest-income States located in the southern region where, according to the lowest estimates based on U.S. Department of Agriculture food costs, close to \$660 million or about 60 percent of total estimated deficiencies in assistance payments for the Nation as a whole occur.

As a group, the lowest income States have tax rates among the highest in the Nation. To provide adequate assistance, these States would face one of two alternatives—either to raise already high tax rates or to divert money to public assistance from other sources. The second alternative presents a difficult choice among all public

services, few if any of which can be operated at adequate levels in these States.

Further, as assistance standards were raised, more people with low incomes would become eligible to receive assistance. To give a highly simplified example: Assuming a State's standard of requirements for an aged individual adds up to \$65 a month, all old people in the State with income of \$65 or more will be ineligible for assistance. If the standard is raised to \$75, another group becomes eligible—those with income from \$65 through \$74. In the lowest-income States, where so many people have very limited incomes, a sizeable addition to recipient loads can occur with just a small rise in standards.

Already, under their very low standards, the lowest-income States aid relatively large proportions of their populations. Aged recipients of assistance accounted for from 125 out of every 1,000 aged people in the population to 577 in December 1958 among the 12 lowest income States; in 4 of these States more than a third of the aged population received aid. Children helped under the aid to dependent children program in these 12 States represented from 19 per 1,000 of the child population to 81 compared with an average for the Nation of 34. Even if it were financially feasible to do so, providing income maintenance for even larger—perhaps major—proportions of a State's total population through public assistance on a continuing basis would be a doubtful public policy, considering the probable social and economic consequences to the people involved and to the State's whole economy.

The data on unmet need for public assistance, therefore, indicate that we have a problem of low income in some sections of the Nation that goes beyond the power or the proper function of public assistance to correct. Other measures—to bolster and strengthen the general economy of the lowest-income States—would appear to be necessary to bring the job to be done by public assistance down to manageable proportions, appropriate for an assistance program, based on a needs test, to handle.

Conclusion

The amount of progress made toward more nearly adequate assistance payments since 1936 is considerable. Few, if any, persons familiar with public assistance programs would contest that much of the progress made has been due to the availability of Federal funds. But the States and localities, too, have greatly increased their contribution to meeting the needs of our most disadvantaged people. The estimates herein presented—however partial, however rough—are sufficient to indicate that the amount of need still not met is staggering. Some of this need undoubtedly could be met if public support of the public assistance programs were increased. A large part of the need, however, indicates basic weaknesses in our economy that should be strengthened to increase general levels of income in certain areas.

However knotty the problems in achieving for all our people income that is adequate for health and well-being—through public assistance or by some other means—the fact remains that, until this objective is attained, great social and human waste will occur—waste that affects not just those without enough income but, indeed, the welfare of the whole Nation.

TABLE 1.—*Old-age assistance and aid to dependent children combined—Estimated annual increase needed ¹ in public assistance payments under specified measures*

[Based on numbers of recipients and amounts of assistance expenditures for public assistance at end of calendar year 1958]

Measures used to estimate needed increase	United States	Geographical region ²			
		North-east	North Central	South ³	West
Cost measure of recipients' requirements other than for medical care: 1. State cost standards, end of calendar year 1958. 2. Twice cost of USDA low-cost standard food plan (for basic items only; special nonmedical needs as in State cost standards): (a) Average U.S. cost..... (b) Average cost in specified region.....	A. Estimated total increase needed for basic living requirements and special needs including medical care (annual rate in thousands)				
	\$576,690	\$18,605	\$96,055	\$423,335	\$38,695
	1,108,335	78,920	186,500	777,435	65,480
	1,096,445	113,300	207,465	688,860	86,820
	B. Estimated increase needed for basic living requirements and special needs excluding medical care (annual rate in thousands)				
Cost measure of recipients' requirements other than for medical care: 1. State cost standards, end of calendar year 1958. 2. Twice cost of USDA low-cost standard food plan (for basic items only; special nonmedical needs as in State cost standards): (a) Average U.S. cost..... (b) Average cost in specified region.....	\$254,505	\$3,335	\$51,565	\$192,540	\$7,065
	786,150	63,650	142,010	546,640	33,850
	774,260	98,030	162,975	458,065	55,190
	C. Estimated increase needed in medical care expenditures (annual rate in thousands)				
	\$322,185	\$15,270	\$44,490	\$230,795	\$31,630
Average amount for medical care per recipient in all States estimated at median amount for 24 States with expenditures above the national median: Total, old-age assistance and aid to dependent children combined..... Old-age assistance..... Aid to dependent children.....	268,270	10,230	34,890	194,535	28,615
	53,915	5,040	9,600	36,260	3,015

¹ To meet full need for public assistance for costs of basic living requirements and special needs other than medical care and to provide, through public assistance, medical care in all States similar in scope and cost to care provided in 24 States with average medical care costs per recipient above the national median.

² As defined by the U.S. Bureau of the Census; see footnote 3 of text of report, p. 60 for listing of States included in each region.

³ Estimated increases under the special adaptation of the standard food plan for the South would be about \$31,000,000 less annually than under the estimate based on costs of the standard food plan at average cost in the southern region.

NOTE.—See tables 2, 3, and 4 for detailed figures from which above totals are computed.

¹ Data for old-age assistance were estimated by staff of the Social Security Administration on the basis of selected data reported by the States as explained in the attachment "Sources Used for the Estimates."

² Basic data for aid to dependent children were reported by the individual States, as indicated in table 4.

³ As defined by the U.S. Bureau of the Census.

⁴ For old-age assistance amount of requirements estimated includes (1) cost of basic requirements and of special needs other than medical care as in State cost standards and (2) amounts for medical care as paid; that is amounts included in money payments to recipients and paid to suppliers of goods and services. For aid to dependent children amount of requirements which was reported by the States, includes only costs of require-

ments to which money payments to recipients were related; these requirements include basic items and special needs including medical care. Amounts directly paid to suppliers of medical care for aid to dependent children recipients were excluded from the amount of requirements because they were excluded from the data reported by the States; their inclusion for purposes of this report would have introduced contradictions in relating other data reported by the States to the total cost of requirements.

⁵ For old-age assistance, amounts of assistance include amounts in money payments to recipients and amounts paid directly to suppliers of goods and services. For aid to dependent children, amounts of assistance include only money payments to recipients for reasons explained in footnote 4.

TABLE 3.—*Old-age assistance and aid to dependent children, separately—Cost standards for basic requirements estimated at twice specified food costs in USDA low-cost food plan: Financial need met by public assistance payments for basic requirements and special needs other than for medical care at end of calendar year 1958, under specified measure of total cost for basic items*¹

Low-cost USDA food plan from which estimate of total cost of basic requirements is derived ³	Old-age assistance ²				Aid to dependent children ²			
	United States	Geographical region ²			United States	Geographical region ²		
		Northeast	North Central	South		West	Northeast	North Central
A. Percent of need for assistance, under specified measure, met by assistance payments								
1. Standard USDA food plan:								
(a) Average U.S. cost.....	94.2	99.4	96.4	87.7	99.4	56.8	79.5	33.6
(b) Average cost in specified region.....	94.4	99.3	96.1	88.4	99.4	57.1	71.4	38.2
2. Adaptation of standard plan for South ⁴	94.5			88.6		58.2		40.2
B. Average monthly amount of unmet need per recipient								
1. Standard USDA food plan:								
(a) Average U.S. cost.....	\$3.98	\$0.51	\$2.52	\$7.05	\$0.51	\$21.30	\$9.17	\$35.64
(b) Average cost in specified region.....	3.84	.63	2.72	6.60	.51	21.05	14.21	29.14
2. Adaptation of standard plan for South ⁴	3.78			6.47		20.14		26.88
C. Total amount of unmet need (all recipients combined)—annual rate (in thousands)								
1. Standard USDA food plan:								
(a) Average U.S. cost.....	\$115,050	\$1,765	\$17,375	\$93,160	\$2,750	\$671,095	\$61,880	\$453,480
(b) Average cost in specified region.....	110,940	2,145	18,745	87,300	2,750	663,320	95,880	370,770
2. Adaptation of standard plan for South ⁴	109,120			85,480		634,560		342,010
D. Percentage increase in assistance expenditures necessary to meet need								
1. Standard USDA food plan:								
(a) Average U.S. cost.....	6.1	0.6	3.8	14.0	0.6	76.0	25.8	56.4
(b) Average cost in specified region.....	5.9	.7	4.1	13.1	.6	75.1	40.0	65.2
2. Adaptation of standard plan for South ⁴	5.8			12.9		71.9		149.0

¹ Amount of needed increase shown is total of amounts under State cost standards (as shown on table 2) plus amounts by which State cost standards for basic items were inadequate under the measures in which the total cost for basic items was estimated at twice the food costs in the specified low-cost USDA food plan.

² See table 2 for relevant footnotes.

³ See text of app. B for discussion of the USDA food plans.

⁴ Figure for United States includes figures for the South that were derived from the adaptation of the standard USDA low-cost food plan and figures, for other regions derived from the regional cost of the standard food plan.

TABLE 4.—*Aid to dependent children—Current State standards, end of calendar year 1958: Monthly amount of requirements, income other than assistance, need, assistance payments, and unmet need and percent of need met by money payments to recipients, by State*

Region and State	Monthly amount of—							Percent of need met by assistance payments
	Requirements		Income other than assistance	Need	Assistance payments	Unmet need		
	Total	Average per recipient				Total	Average per recipient	
Total ¹	\$103,574,546	\$39.44	\$17,696,572	\$85,877,974	\$73,562,041	\$12,315,933	\$4.69	85.7
Northeast, total ¹	23,752,448	42.25	3,660,653	20,091,795	19,955,266	136,529	0.24	99.3
Connecticut.....	1,025,160	47.62	145,150	880,010	880,000	10	-----	100.0
Maine ²	821,026	44.37	202,276	618,750	484,974	133,776	7.23	78.4
Massachusetts ³	2,419,829	51.57	475,634	1,944,195	1,944,195	0	0	100.0
New Hampshire ^{2,3}	175,865	44.86	29,967	145,898	145,898	0	0	100.0
New Jersey.....	1,549,538	48.43	194,109	1,355,429	1,352,686	2,743	.09	99.8
New York.....	11,411,102	44.54	1,713,733	9,697,369	9,697,369	0	0	100.0
Pennsylvania.....	5,758,876	34.46	815,800	4,943,076	4,943,076	0	0	100.0
Rhode Island.....	591,052	37.02	83,984	507,068	507,068	0	0	100.0
North Central, total.....	25,793,521	43.59	4,483,429	21,310,092	18,427,059	2,883,033	4.87	86.5
Illinois.....	5,211,935	38.51	543,595	4,668,340	4,668,340	0	0	100.0
Indiana ²	1,693,246	42.45	395,680	1,297,566	1,019,612	277,954	6.97	78.6
Iowa ²	1,447,051	47.34	255,661	1,191,390	1,065,508	125,882	4.12	89.4
Kansas.....	857,208	41.35	172,546	684,662	674,029	10,633	.51	98.4
Michigan ²	4,524,885	49.53	783,126	3,741,759	3,293,399	448,360	4.91	88.0
Minnesota.....	1,443,759	46.77	279,613	1,164,146	1,161,166	2,980	.10	99.7
Missouri ²	4,386,206	47.05	965,889	3,420,317	2,083,679	1,330,638	14.27	61.1
Nebraska ²	452,131	42.33	91,932	360,199	289,704	70,495	6.60	80.4
North Dakota.....	263,618	42.57	45,550	218,068	217,532	536	.09	99.8
Ohio ²	3,568,495	39.25	613,061	2,955,434	2,389,075	566,359	6.23	80.8
South Dakota ²	439,130	41.42	91,258	347,872	298,676	49,196	4.64	85.9
Wisconsin.....	1,505,857	48.08	245,518	1,260,339	1,260,339	0	0	100.0
South, total.....	34,954,124	32.96	6,895,858	28,058,266	19,122,391	8,935,875	8.43	68.2
Alabama.....	2,687,209	29.65	502,683	2,184,526	619,090	1,565,436	17.27	28.3
Arkansas.....	789,320	27.18	148,330	640,990	418,480	222,510	7.66	65.3
Delaware.....	245,491	41.92	51,981	193,510	140,193	53,317	9.10	72.4
District of Columbia.....	574,805	36.79	65,976	508,829	508,829	0	0	100.0
Florida ²	3,975,680	41.15	1,235,200	2,740,480	1,574,862	1,165,618	12.06	57.5
Georgia.....	2,083,569	34.35	253,796	1,829,773	1,405,801	423,972	6.99	76.8
Kentucky.....	2,620,790	34.77	399,163	2,221,627	1,595,505	727,223	9.65	67.3
Louisiana.....	3,020,906	30.47	582,429	2,438,477	2,133,229	305,248	3.08	87.5
Maryland.....	990,305	30.20	213,071	777,234	772,138	5,096	.16	99.3
Mississippi.....	2,280,193	34.92	446,300	1,833,893	692,260	1,141,633	17.49	37.8
North Carolina.....	3,243,194	33.46	858,538	2,384,656	1,756,195	628,461	6.48	73.2
Oklahoma ²	1,706,326	29.39	222,472	1,483,854	1,477,131	6,723	.12	99.6
South Carolina.....	1,127,753	29.49	239,060	888,693	527,440	361,053	9.45	59.4
Tennessee.....	2,543,319	33.22	384,022	2,159,297	1,407,895	751,402	9.81	65.2
Texas ²	3,371,954	31.96	789,852	2,582,102	1,738,114	843,988	8.00	67.3
Virginia ²	1,138,387	30.51	279,926	858,461	689,164	169,297	4.54	80.4
West Virginia ²	2,554,923	33.26	223,059	2,331,864	1,767,166	564,698	7.35	75.9
West, total.....	19,074,453	46.34	2,656,632	16,417,821	16,057,325	360,496	.88	97.8
Arizona.....	820,919	34.24	110,988	709,931	630,567	79,364	3.31	88.8
California ²	12,130,937	50.25	1,719,114	10,411,823	10,297,945	113,878	.47	98.9
Colorado ²	909,309	34.17	96,165	813,144	813,144	0	0	100.0
Idaho.....	316,689	45.77	45,225	271,464	271,464	0	0	100.0
Montana.....	289,411	39.20	44,453	244,958	244,636	322	.04	99.9
Nevada ²	137,180	43.26	25,874	111,306	85,301	26,005	8.20	76.6
New Mexico.....	890,669	33.32	99,646	791,023	767,316	23,707	.89	97.0
Oregon.....	868,490	45.05	110,354	758,136	758,136	0	0	100.0
Utah.....	562,190	47.16	83,606	478,584	395,108	83,476	7.00	82.6
Washington.....	2,038,988	48.86	302,642	1,736,346	1,706,388	29,958	.72	98.3
Wyoming.....	109,671	43.71	18,565	91,106	87,320	3,786	1.51	95.8

¹ Excludes Vermont for which data were not reported.

² Assistance payments include supplementary general assistance.

³ Excess of assistance payments over amount of need was reported by State; figures on amount of requirements and of need were adjusted so that amount of assistance payments equals amount of need.

NOTE.—Data in cols. 1, 3, 4, 5, and 6 were reported by the individual States.

ATTACHMENT TO APPENDIX B

SOURCES USED IN THE ESTIMATE

Financial need met by public assistance—State standards of assistance

For aid to dependent children, each State (except Vermont) reported for October, November, or December 1958 information for all recipients of aid to dependent children combined on the following items:

- (1) Total amount of requirements under State standards, to which money payments to recipients were related;
- (2) Total amount of income of recipients, other than assistance, which was deducted from the amount of requirements to determine the amount of need;
- (3) Total amount of need (amount of requirements less amount of income);
- (4) Total amount of assistance in money payments to recipients, including supplementary general assistance payments, in States making such payments;
- (5) Total amount of unmet need (amount of requirements less amount of recipients' income less amount of assistance paid);
- (6) Total number of families receiving assistance;
- (7) Total number of persons included in the budget groups (including recipients and other persons whose presence in the home is considered essential to the welfare of the children in whose behalf aid is given).

These data, reported by the States, and shown in table 4 yielded the information on unmet need for aid to dependent children under State standards and were used as the basis for comparison in estimating the amount of unmet need under the measure related to the USDA low-cost food plans.

Further detail on the State figures used in this report plus other information on characteristics of recipients of aid to dependent children is published in "Characteristics of ADC Families, October–December 1958," Bureau of Public Assistance, Social Security Administration, U.S. Department of Health, Education, and Welfare, October 14, 1959.

For old-age assistance, figures were estimated for December 1958, for the total amount of requirements under State standards and the total amount of recipients' income. The total amount of need and the total amount of unmet need were then derived from these estimates and the amounts of assistance. The total amount of assistance paid to recipients was reported by the States in their regular monthly report on the assistance programs. The various items for old-age assistance were estimated from the following sources:

Requirements (by State)

Basic requirements.—The primary source of information for these estimates was the data on monthly cost standards for basic needs used by States for assistance budgets reported by all States for specified types of old-age assistance cases for July 1958 (see app. C). To determine the total amount of requirements for all recipients combined, the total amounts shown in these budgets for typical cases were brought up to date as of December 1958 and were weighted according to incidence, in the total caseload, of cases with similar living arrangements as reported in a special study of old-age assistance recipients conducted in early 1953 (see "Recipients of Old-Age Assistance in Early 1953, Part I." "State Data", Public Assistance Report No. 26, U.S. Department of Health, Education, and Welfare, Social Security Administration, Bureau of Public Assistance, June 1955).

The figures on the budgets for typical cases as of July 1958 were revised to December 1958 on the basis of information included in reports by the States summarized in "Initial Effects of the Public Assistance Amendments of 1958 on Assistance Payments to Recipients," a June 1959 release by the Bureau of Public Assistance, Social Security Administration, U.S. Department of Health, Education, and Welfare.

Special needs.—Estimates were based on amounts for special needs included in assistance budgets as reported in the 1953 study (see above), increased in the same proportion as the increase in money payments from early 1953 to December 1958.

Medical care

Provided for through money payments.—Amounts were included on an as-paid basis, as estimated from information available from reports of consultants of the Bureau of Public Assistance on medical care programs in the States and the latest available information for each State included in one or more of the following releases issued by the Bureau of Public Assistance: "Initial Effects of the Public

Assistance Amendments of 1958 on Assistance Payments to Recipients" (June 1959); "Medical Care in Public Assistance: Information Relating to Changes, Early 1957 to January 1958" (April 2, 1958); "Selected Aspects of Medical Care in Public Assistance Programs, Early 1957" (December 23, 1957); and the special report on recipients of old-age assistance in early 1953 (referred to above under "Requirements").

Provided for through vendor medical payments.—Amounts are those reported by the States in their regular monthly report for December 1958.

Income

From OASI benefits (by State).—Amounts included were those reported by the States for February or March 1959 in their annual report on recipients of old-age assistance who also receive OASI benefits.

Other (by region—northeast, north central, south, west).—Data were estimated from amounts reported in the special report on recipients of old-age assistance in early 1953. The assumption was made that income, other than OASI benefits was not likely to be higher in 1958, in a period of economic recession, than it was in 1953 when economic conditions generally were better.

The reasonableness of estimates on requirements, income, and thus unmet need, were checked against available data for December 1958 on maximums on assistance payments in effect in the States and on State policies related to reductions in assistance payments, which bring them below 100 percent of need.

Measures based on USDA low-cost food plans

The total amount for food (by region) for all recipients combined (for old-age assistance and for aid to dependent children) was estimated by weighting the amounts for food in the several USDA low-cost food plans (U.S. Department of Agriculture, Family Economics Review, September 1959, pp. 12-14 and 17). The USDA food amounts are given by sex for specified ages and size of family. They were weighted for these variables according to distribution of assistance recipients, by sex, age, and size of family. Data on distribution of old-age assistance recipients were from the special report on old-age assistance recipients in early 1953. Estimates on distribution of aid to dependent children recipients were based on data reported by the States and summarized in "Characteristics of Aid to Dependent Children Families, October-December 1958," Bureau of Public Assistance, Social Security Administration, U.S. Department of Health, Education, and Welfare, October 14, 1959.

APPENDIX C

MONTHLY COST STANDARDS FOR BASIC NEEDS USED BY STATES FOR ASSISTANCE BUDGETS, SPECIFIED TYPES OF OLD-AGE ASSISTANCE AND AID TO DEPENDENT CHILDREN CASES, JULY 1958

U.S. Department of Health, Education, and Welfare, Social Security Administration, Bureau of Public Assistance, Division of Program Statistics and Analysis, August 1959

The Social Security Act provides for Federal grants-in-aid to States for the assistance of "needy" individuals of specified types—the aged, the blind, the disabled, and children deprived of parental support or care. The act requires that an individual's resources and income shall be considered in determining his need.¹ The level of living that is recognized in determining an individual's eligibility for assistance is defined by each State.

The amount of money needed to maintain the level of living established for a State's assistance program(s) is usually determined by the State on the basis of quantity-quality-cost standards for specified consumption items. To achieve equity, uniform standards of quantity

¹ The first \$50 per month of income earned by an applicant for or recipient of aid to the blind is exempted from this requirement.

and quality for specified consumption items that are considered necessary must be applied to all applicants for and recipients of assistance within a State who are in similar circumstances. Uniform costs may be established for use throughout a State, or costs may be varied according to local price differentials for the same quantity and quality of the specified items. Policies regarding consideration of an individual's resources or income other than assistance are also established to govern decisions throughout the State.

The number and kinds of requirements recognized in determining whether a person is needy varies widely among the States. All States recognize food, clothing, shelter, and fuel and utilities as "basic" consumption items—that is, items needed by everyone. Most States also include items such as personal care, medicine chest supplies, and household supplies, and some States consider additional items to be needed by all cases. In addition to basic needs, most States recognize "special" needs that arise for some persons under specified circumstances, e.g., needs for medical care, special diets, and transportation. To some extent, a State's willingness to support needy persons is reflected by the consumption items included in its standards for the requirements of individuals and by the amounts established as the costs of these items.

The difference between the amount of money needed to provide an individual the level of living established under the State's standard and the amount of income or other resources currently available to him to meet his requirements is the amount of his need. In principle, the amount of the assistance payment should be the same as the amount of need. In many States, however, a maximum or other device—usually a percentage or flat amount reduction—limits the amounts of assistance payments to less than determined need.² A maximum limits the amount of assistance that may be paid to persons whose determined need exceeds that maximum, whereas percentage or flat amount reductions usually affect all payments.

The Bureau of Public Assistance is frequently called upon to use or to provide information concerning cost standards used by State agencies in determining the amount of income needed to purchase the basic requirements necessary for maintaining the State's level of living as defined for the public assistance programs. All State public assistance agencies were requested to provide information on their cost standards for basic items in use as of July 1958 for specified types of cases (described below) in the old-age assistance and aid to dependent children programs. The information reported by States is presented in tables 1-6 of this release.

BASIS ON WHICH STATE COST STANDARDS WERE REPORTED

The information requested of States in regard to their cost standards was intended to reflect the maximum amounts budgeted for basic needs as defined by the State for the specified types of cases in the old-age assistance and aid to dependent children programs. All the specified cases were defined as living by themselves in rented quarters, having no special needs, and having no income from sources other than assistance.

² Information relating to legal or administrative maximums and other limitations on payments may be found in "Initial Effects of the Public Assistance Amendments of 1958 on Assistance Payments to Recipients" (Bureau of Public Assistance, June 1959).

State agencies normally budget fixed amounts for food, clothing, personal care and medicine chest supplies, and items such as household supplies, which represent the main component of the "All other" classification shown in tables 1-6, inclusive. Accordingly, States were requested to report such amounts, adjusted as necessary to the designated case type for activity and age differentials, for these basic needs. Since the designated types of cases were defined as living in rented quarters of specified broad description, it was necessary to take account of State practices in budgeting rent and utilities. In most States rent is budgeted on an "as paid" basis, either with or without maximums. In many States utilities are budgeted in a like manner. Because of these circumstances, States were requested to report rent and utilities on the basis of fixed amounts (if used) or maximums, or to report the amounts considered necessary by the State agency to procure the items if neither fixed amounts nor maximums were used. Some States were unable to report rent and utilities on any of these bases, but were able to supply estimated averages of the amounts budgeted for the specified types of cases; such averages are identified by footnotes in tables 1-6, inclusive.

In general, therefore, the amounts shown for total basic needs represent the maximum amounts that were budgeted by States for the specified types of cases, or the closest attainable approximation of such amounts. These totals can also be viewed as representing the levels below which income other than assistance had to fall before the specified types of cases could be eligible for assistance, assuming that their needs for shelter and utilities were at least as large as the maximum (or other) amounts reported by States for these items.

TYPES OF CASES FOR WHICH STATE COST STANDARDS WERE REPORTED

State agencies reported information on cost standards for three types of old-age assistance and three types of aid to dependent children cases. For old-age assistance, these were: (1) A man living alone and keeping house; (2) a man living alone in a furnished room and eating his meals in restaurants; and (3) a couple keeping house alone. For aid to dependent children, the types of cases included: (1) a mother (age 35), one boy (age 14), one girl (age 9), and one girl (age 4); (2) a mother (age 35) and one boy (age 9); and (3) an incapacitated father (age 40), a mother (age 35), one boy (age 11), and one girl (age 7).

Detailed amounts for cost standards for basic needs are included in tables 1-6, inclusive. Because cost standards for cases consisting of an aged man living alone and keeping house (essentially the same for a single aged woman) and a mother and three children represent typical amounts for substantial proportions of the caseloads under the old-age assistance and aid to dependent children programs, the following analysis is limited to these two types of cases (tables 1 and 4, respectively).

AMOUNTS FOR TOTAL BASIC NEEDS ³

Old-age assistance

For an elderly man living alone and keeping house, State amounts for total basic needs ranged from a low of \$27 in Puerto Rico to a high of \$125 in Nevada. Half the States reported amounts above

³ Discussion relates to 62 States; amounts for total basic needs could not be determined for Illinois because amounts for rent for that State were not available.

\$87 and half reported amounts below that figure. Excluding Puerto Rico and the Virgin Islands, the lowest totals, \$53 and \$58, were reported by West Virginia and Indiana, respectively. Of the 52 States for which totals were reported, 14 reported amounts for total basic needs of \$100 or more; 19, amounts of \$75 to \$99; and 19 reported totals of less than \$75.

Grouped according to the above-mentioned broad classifications, the States were as follows:

Basic needs of \$100 or more:

Alaska, Arizona, Colorado, Connecticut, Florida, Idaho, Louisiana, Massachusetts, Michigan, Montana, Nevada, Ohio, Washington, Wyoming.

Basic needs of \$75 to \$99:

Alabama, California, Delaware, District of Columbia, Hawaii, Iowa, Kansas, Maine, Mississippi, Missouri, New Jersey, New York, North Carolina, Oklahoma, Oregon, Rhode Island, Utah, Vermont, Wisconsin.

Basic needs of less than \$75:

Arkansas, Georgia, Indiana, Kentucky, Maryland, Minnesota, Nebraska, New Hampshire, New Mexico, North Dakota, Pennsylvania, Puerto Rico, South Carolina, South Dakota, Tennessee, Texas, Virgin Islands, Virginia, West Virginia.

Aid to dependent children

For the aid to dependent children case consisting of a mother and three children, amounts for total basic needs ranged from a low of \$62 in the Virgin Islands to a high of \$241 in Alaska. Half the States reported amounts above \$173 and half had amounts below that level. Excluding Puerto Rico and the Virgin Islands, the lowest amount, \$124, was reported by Arkansas. Of the 52 States, 11 reported amounts for total basic needs of \$200 or more; 14, amounts of \$175 to \$199; 14, amounts of \$150 to \$174; and 13 reported totals of less than \$150.

The States, grouped under these broad classifications, were as follows:

Basic needs of \$200 or more:

Alaska, Florida, Idaho, Michigan, Montana, Nebraska, Nevada, New Jersey, South Dakota, Utah, Washington.

Basic needs of \$175 to \$199:

California, Connecticut, District of Columbia, Iowa, Maine, Massachusetts, Missouri, New York, North Dakota, Ohio, Oregon, Vermont, Wisconsin, Wyoming.

Basic needs of \$150 to \$174:

Arizona, Colorado, Delaware, Georgia, Hawaii, Kansas, Kentucky, Minnesota, Mississippi, New Hampshire, New Mexico, North Carolina, Rhode Island, Virginia.

Basic needs of less than \$150:

Alabama, Arkansas, Indiana, Louisiana, Maryland, Oklahoma, Pennsylvania, Puerto Rico, South Carolina, Tennessee, Texas, Virgin Islands, West Virginia.

RELATION OF AMOUNTS INCLUDED IN STATE COST STANDARDS FOR FOOD TO U.S. DEPARTMENT OF AGRICULTURE LOW-COST FOOD PLAN,⁴ AND TO AMOUNTS FOR TOTAL BASIC NEEDS

Food is the only essential of living for which there are authoritative national quantity-quality-cost standards, i.e., the low, moderate, and liberal food cost plans developed and maintained by the Institute of Home Economics, U.S. Department of Agriculture. Under the USDA low-cost food plan the monthly amount considered necessary as of August 1958 to purchase food for a single man aged 55 to 74 was \$38;⁴ for a mother and three children of the sex and age composition included in the specified aid to dependent children case the amount was \$95.50.⁴ These amounts and State food cost standards are shown in table 7.

Since the prices used in the USDA low-cost food plan are not applicable to Alaska, Hawaii, Puerto Rico, and the Virgin Islands, these jurisdictions are excluded from the following comparisons and from table 7.

Old-age assistance

For the man living alone and keeping house, only Arizona, with a food allowance of \$39, included an amount for food equal to or greater than the USDA amount. The lowest amounts reported were \$21 for Maryland and Virginia and \$22 for Indiana and West Virginia. Half the States reported amounts above \$28 and half reported amounts below that figure. The median amount for food was therefore \$10 less than the USDA amount for August 1958.

Aid to dependent children

For the case consisting of a mother and three children, only two States, Florida and Michigan, included an amount for food equal to or greater than the USDA amount. The highest amount, \$101, was included in the Florida standard. The lowest amounts reported were \$60 for Maryland and \$65 for Oklahoma. Half the States reported amounts above \$80 and half reported amounts below that level. The median cost standard for food was therefore \$15.50 below the August 1958 cost of the USDA low-cost food plan.

Program differences

Comparison with the USDA low-cost food plan shows that amounts included for food in State cost standards were below the USDA amounts under both programs in nearly all States—in some far below. On an overall basis, State food cost standards for old-age assistance fell somewhat further below the USDA amounts than did State food cost standards for aid to dependent children. For old-age assistance the median amount for State food standards represented 74 percent of the USDA low-cost food plan; for aid to dependent children the comparable percent was 84. In a large preponderance of the States, the food cost amounts for both old-age assistance and aid to dependent children were above the national median amounts or were below these amounts. For about a fourth of the States, however, the amount for food was above the national median for one program but below the national median for the other.

⁴ Amounts derived from table 12, Family Economics Review, Institute of Home Economics, Agricultural Research Service, U.S. Department of Agriculture, October 1958.

In respect to the proportion that State amounts for food represented of amounts for total basic needs, the two programs differed substantially. As shown by the following distributions of the States exclusive of Illinois and the four outlying jurisdictions, the proportion was appreciably higher for aid to dependent children.

Old-age assistance

For 17 States the amount for food represented less than 30 percent of the amount for total basic needs; for 23 States, from 30—39 percent; for 7 States from 40—49 percent; and for 1 State about 50 percent. The proportions ranged from 24 percent in Washington to 50 percent in Texas. Half the States were above and half were below 32 percent.

Aid to dependent children

For 7 States the amount for food represented less than 40 percent of the amount for total basic needs; for 26 States, 40—49 percent; for 12 States, 50—59 percent; and for 3 States, more than 60 percent. The proportions ranged from 37 percent in Washington to 62 percent in Arkansas. Half the States were above and half were below 45 percent.

TABLES

Table 1. Old-age assistance: Monthly cost standards for basic needs for man living alone and keeping house in rented quarters, by State, July 1958

Table 2. Old-age assistance: Monthly cost standards for basic needs for man living alone in rented furnished room and eating in restaurants, by State, July 1958

Table 3. Old-age assistance: Monthly cost standards for basic needs for couple keeping house alone in rented quarters, by State, July 1958

Table 4. Aid to dependent children: Monthly cost standards for basic needs for family consisting of mother (35), boy (14), one girl (9), and one girl (4), and living in rented quarters, by State, July 1958

Table 5. Aid to dependent children: Monthly cost standards for basic needs for family consisting of mother (35) and boy (9), and living in rented quarters, by State, July 1958

Table 6. Aid to dependent children: Monthly cost standards for basic needs for family consisting of incapacitated father (40), mother (35), boy (11), and girl (7), and living in rented quarters, by State, July 1958

Table 7. U.S. Department of Agriculture low-cost food plan, and public assistance food cost standards for specified types of cases, by State, July 1958

TABLE 1.—*Old-age assistance: Monthly cost standards for basic needs for man living alone and keeping house in rented quarters, by State, July 1958*

State	Total	Rent ¹	Items other than rent					All other
			Total	Food	Clothing	Personal care and medicine chest supplies	Utilities ¹	
High.....	² \$124.90	² \$60.00	\$90.00	\$45.00	\$10.50	-----	³ \$30.00	-----
Median.....	² 86.84	² 30.50	52.55	28.00	6.00	-----	³ 10.30	-----
Low.....	² 26.98	² 8.00	18.50	12.25	2.00	-----	³ 1.00	-----
Alabama.....	90.00	32.00	58.00	28.50	⁴ 8.00	⁴ \$1.00	7.50	\$13.00
Alaska.....	123.00	33.00	90.00	45.00	8.00	3.00	30.00	4.00
Arizona.....	100.00	25.00	75.00	39.00	7.00	11.00	15.00	3.00
Arkansas.....	70.50	19.50	51.00	27.00	5.00	5.00	⁵ 8.00	6.00
California.....	89.00	⁶ 21.30	⁶ 67.70	28.50	7.70	17.50	(⁹)	14.00
Colorado.....	100.00	20.00	80.00	31.00	8.00	18.00	13.00	10.00
Connecticut.....	109.20	⁵ 50.00	59.20	30.45	6.00	3.50	13.75	5.50
Delaware.....	85.50	35.00	50.50	25.00	6.00	3.50	15.00	1.00
District of Columbia.....	93.00	36.00	57.00	30.00	10.00	(⁷)	11.00	⁷ 6.00
Florida.....	102.55	50.00	52.55	28.50	7.25	7.00	7.80	2.00
Georgia.....	64.25	20.00	44.25	27.00	4.75	3.00	9.50	-----
Hawaii.....	88.75	50.00	38.75	31.75	2.00	-----	5.00	-----
Idaho.....	105.05	38.00	67.05	29.50	7.00	12.15	⁸ 14.00	4.40
Illinois.....	(⁹)	(⁹)	54.50	25.60	4.70	2.90	19.85	1.45
Indiana.....	57.75	20.00	37.75	22.20	4.40	1.85	7.50	1.80
Iowa.....	87.53	21.25	66.28	26.98	6.70	8.75	14.75	9.19
Kansas.....	79.35	⁵ 21.00	58.35	24.75	6.00	(⁷)	7.10	⁷ 20.50
Kentucky.....	61.90	18.00	43.90	27.60	7.30	2.50	5.00	1.50
Louisiana.....	109.00	36.00	73.00	30.00	7.00	5.50	5.00	25.50
Maine.....	84.00	⁵ 24.00	60.00	29.00	9.00	4.00	15.00	3.00
Maryland.....	72.60	31.00	41.60	21.00	⁴ 4.50	(¹)	11.00	⁹ 5.10
Massachusetts.....	103.00	37.70	65.30	33.95	6.30	3.00	11.30	10.75
Michigan.....	113.55	60.00	53.55	29.00	7.00	4.00	10.05	3.50
Minnesota.....	70.45	⁵ 16.00	54.45	29.40	5.70	5.00	⁸ 10.25	4.10
Mississippi.....	79.58	31.50	48.08	26.80	6.72	2.17	6.02	6.37
Missouri.....	78.39	22.00	56.39	23.09	5.45	¹⁰ 2.00	9.50	¹⁰ 16.35
Montana.....	100.50	⁶ 42.50	⁶ 58.00	30.00	7.00	13.50	(⁹)	7.50
Nebraska.....	72.15	25.00	47.15	26.35	6.00	6.20	6.50	2.10
Nevada.....	124.90	55.00	69.90	36.15	6.30	6.00	11.20	10.25
New Hampshire.....	64.00	18.00	46.00	28.50	4.00	(⁷)	11.50	⁷ 2.50
New Jersey.....	88.80	⁵ 30.00	58.80	31.50	5.90	5.20	14.30	1.90
New Mexico.....	74.00	26.00	48.00	30.00	5.00	-----	10.00	3.00
New York.....	77.05	¹¹ 32.00	¹¹ 45.05	28.85	4.20	¹⁰ 1.65	¹¹ 3.80	¹⁰ 6.55
North Carolina.....	93.50	50.00	43.50	30.00	5.00	1.50	6.50	.50
North Dakota.....	72.70	⁵ 20.00	52.70	27.10	6.70	2.30	⁵ 10.60	6.00
Ohio.....	101.50	⁵ 50.00	⁵ 51.50	33.50	5.50	(⁷)	(⁹)	⁷ 12.50
Oklahoma.....	93.00	30.00	63.00	25.00	6.00	16.00	12.00	4.00
Oregon.....	91.00	⁶ 45.00	⁶ 46.00	32.00	6.00	4.50	(⁹)	3.50
Pennsylvania.....	64.40	19.90	44.50	26.20	5.00	(⁷)	10.30	⁷ 3.00
Puerto Rico.....	26.98	⁵ 8.00	18.98	12.25	2.90	1.60	2.23	-----
Rhode Island.....	86.15	35.00	51.15	26.70	5.25	1.85	15.05	2.30
South Carolina.....	70.90	35.00	35.90	24.00	3.75	1.00	6.65	.50
South Dakota.....	71.79	20.00	51.79	27.95	5.10	4.10	13.09	1.55
Tennessee.....	68.00	25.00	43.00	25.00	4.00	4.00	9.00	1.00
Texas.....	66.40	21.15	45.25	33.50	⁴ 4.25	(¹⁰)	5.35	¹⁰ 2.15
Utah.....	91.40	32.55	58.85	25.50	10.50	4.25	13.60	5.00
Vermont.....	95.50	⁵ 30.00	65.50	28.00	6.30	(⁷)	28.50	⁷ 2.70
Virgin Islands.....	27.50	9.00	18.50	14.00	3.50	-----	1.00	-----
Virginia.....	73.75	34.70	39.05	21.00	4.50	2.05	10.30	1.20
Washington.....	118.00	52.00	66.00	28.00	6.90	¹⁰ 7.90	11.45	¹⁰ 11.75
West Virginia.....	52.72	⁵ 16.00	36.72	21.84	5.36	.87	7.95	.70
Wisconsin.....	94.90	45.00	49.90	25.50	6.00	4.00	12.75	1.65
Wyoming.....	122.40	45.00	77.40	34.00	10.00	9.50	11.90	12.00

¹ Represents fixed amount, maximum, or amount considered necessary unless otherwise indicated.² Based on data for 52 States.³ Based on data for 49 States.⁴ Amount for personal care included with amount for clothing.⁵ Estimated average.⁶ Amount for utilities included with amount for rent. For California, additional amount for rent and utilities considered "special need."⁷ Amount for personal care and medicine chest supplies included with amount for "All other."⁸ Data for rent not available; incomplete data preclude determination of amount for total basic needs.⁹ Includes ice for refrigeration.¹⁰ Amount for medicine chest supplies included with amount for "All other."¹¹ Amount for heating included with amount for rent; rent represents estimated average based on 1 percent sample of cases in New York City.

TABLE 2.—*Old-age assistance: Monthly cost standards for basic needs for man living alone in rented furnished room and eating in restaurants, by State, July 1958*

State	Total	Rent ¹	Items other than rent				
			Total	Food	Clothing	Personal care and medicine chest supplies	All other
High.....	² \$154.00	³ \$63.00	² \$91.00	\$80.00	\$10.50	-----	-----
Median.....	² 89.50	³ 32.70	² 58.65	45.00	6.00	-----	-----
Low.....	² 27.38	³ 8.68	² 18.70	14.00	2.00	-----	-----
Alabama.....	90.00	39.50	50.50	28.50	⁴ 8.00	⁴ \$1.00	\$13.00
Alaska.....	154.00	63.00	91.00	80.00	8.00	3.00	-----
Arizona.....	106.00	40.00	66.00	45.00	7.00	11.00	3.00
Arkansas.....	76.60	25.50	51.10	35.10	5.00	5.00	6.00
California.....	89.00	⁵ 21.30	67.70	⁵ 28.50	7.70	17.50	14.00
Colorado.....	100.00	33.00	67.00	31.00	8.00	18.00	10.00
Connecticut.....	126.00	⁶ 60.00	66.00	53.00	6.00	3.50	3.50
Delaware.....	115.50	50.00	65.50	55.00	6.00	3.50	1.00
District of Columbia.....	103.00	36.00	67.00	53.00	10.00	(?)	⁷ 4.00
Florida.....	107.60	53.50	54.10	37.85	7.25	7.00	2.00
Georgia.....	64.25	29.50	34.75	27.00	4.75	3.00	-----
Hawaii.....	104.10	50.00	54.10	52.10	2.00	-----	-----
Idaho.....	114.15	36.00	78.15	59.00	7.00	12.15	-----
Illinois.....	(?)	(?)	57.80	50.20	4.70	2.90	-----
Indiana.....	61.25	20.00	41.25	35.00	4.40	1.85	-----
Iowa.....	88.45	22.00	66.45	45.25	6.70	8.75	5.75
Kansas.....	96.00	⁶ 28.00	68.00	45.00	6.00	(?)	⁷ 17.00
Kentucky.....	66.00	27.10	38.90	27.60	7.30	2.50	1.50
Louisiana.....	122.00	41.00	81.00	43.00	7.00	5.50	25.50
Maine.....	81.50	⁶ 22.00	59.50	46.50	9.00	4.00	-----
Maryland.....	82.60	46.00	36.60	31.00	⁴ 4.50	(?)	1.10
Massachusetts.....	111.80	32.70	79.10	59.05	6.30	3.00	10.75
Michigan.....	78.50	21.50	57.00	43.00	7.00	4.00	3.00
Minnesota.....	83.40	⁶ 20.20	63.20	52.50	5.70	5.00	-----
Mississippi.....	79.58	37.52	42.06	26.80	6.72	2.17	6.37
Missouri.....	104.80	36.00	68.80	45.00	5.45	⁹ 2.00	⁹ 16.35
Montana.....	114.50	42.50	72.00	50.00	7.00	13.50	1.50
Nebraska.....	76.20	22.00	54.20	42.00	6.00	6.20	-----
Nevada.....	122.60	45.00	77.60	60.50	6.30	6.00	4.80
New Hampshire.....	¹⁰ 77.00	22.00	55.00	49.00	4.00	(?)	⁷ 2.00
New Jersey.....	103.00	⁶ 30.00	73.00	60.00	5.90	5.20	1.90
New Mexico.....	74.00	36.00	38.00	30.00	5.00	-----	3.00
New York.....	99.95	¹¹ 28.00	71.95	60.00	4.20	⁹ 1.65	⁹ 6.10
North Carolina.....	82.00	(12)	(12)	¹² 75.00	5.00	1.50	.50
North Dakota.....	83.00	⁶ 21.00	62.00	50.00	6.70	2.30	3.00
Ohio.....	110.17	50.00	60.17	42.17	5.50	(?)	⁷ 12.50
Oklahoma.....	82.00	15.00	67.00	45.00	6.00	16.00	-----
Oregon.....	90.50	30.00	60.50	47.00	6.00	4.50	3.00
Pennsylvania.....	64.40	30.20	34.20	26.20	5.00	(?)	⁷ 3.00
Puerto Rico.....	27.38	⁶ 8.68	18.70	14.20	2.90	1.60	-----
Rhode Island.....	95.70	39.25	55.45	49.45	5.30	1.70	-----
South Carolina.....	69.90	31.65	38.25	33.00	3.75	1.00	.50
South Dakota.....	87.15	35.00	52.15	42.95	5.10	4.10	-----
Tennessee.....	83.40	30.40	53.00	45.00	4.00	4.00	-----
Texas.....	73.00	26.50	46.50	42.00	⁴ 3.50	(4 ⁹)	⁹ 1.00
Utah.....	111.40	46.15	65.25	45.50	10.50	4.25	5.00
Vermont.....	84.33	⁶ 30.33	54.00	45.00	6.30	(?)	⁷ 2.70
Virgin Islands.....	29.50	10.00	19.50	14.00	3.50	-----	2.00
Virginia.....	96.55	45.00	51.55	45.00	4.50	2.05	-----
Washington.....	122.50	35.00	87.50	63.95	6.90	⁹ 7.90	⁹ 8.75
West Virginia.....	39.77	⁶ 11.00	28.77	21.84	5.36	.87	.70
Wisconsin.....	95.00	40.00	55.00	45.00	6.00	4.00	-----
Wyoming.....	119.50	45.00	74.50	45.00	10.00	9.50	10.00

¹ Represents fixed amount, maximum, or amount considered necessary unless otherwise indicated. For many States the amount for rent includes amount(s) for utilities budgeted separately under State's procedures.

² Based on data for 52 States.

³ Based on data for 51 States.

⁴ Amount for personal care included with amount for clothing.

⁵ Additional costs for rent and restaurant meals considered "special needs."

⁶ Estimated average.

⁷ Amount for personal care and medicine chest supplies included with amount for "All other."

⁸ Data for rent not available; incomplete data preclude determination of amount for total basic needs.

⁹ Amount for medicine chest supplies included with amount for "All other."

¹⁰ Adjusted amount with which recipient's income would have been compared was \$69.

¹¹ Represents estimated average based on 1 percent sample of cases in New York City.

¹² Amount for rent included with amount for food.

TABLE 3.—*Old-age assistance: Monthly cost standards for basic needs for couple keeping house alone in rented quarters, by State, July 1953*

State	Total	Rent ¹	Items other than rent					
			Total	Food	Clothing	Personal care and medicine chest supplies	Utilities ¹	All other
High.....	² \$200.00	² \$65.00	\$160.00	\$82.00	\$21.00	-----	³ \$30.00	-----
Median.....	² 128.91	² 33.85	91.85	52.00	12.00	-----	³ 12.23	-----
Low.....	² 41.00	² 8.00	32.00	24.00	4.00	-----	³ 1.00	-----
Alabama.....	140.00	32.00	108.00	57.00	⁴ 16.00	⁴ \$2.00	8.30	\$24.70
Alaska.....	173.00	33.00	140.00	82.00	16.00	6.00	30.00	6.00
Arizona.....	148.00	35.00	113.00	64.00	14.00	15.00	15.00	5.00
Arkansas.....	113.50	19.50	94.00	54.00	10.00	10.00	⁵ 8.00	12.00
California.....	178.00	⁶ 42.60	⁶ 135.40	57.00	15.40	35.00	(⁶)	28.00
Colorado.....	200.00	40.00	160.00	62.00	16.00	36.00	26.00	20.00
Connecticut.....	149.35	⁵ 55.00	94.35	52.10	12.00	7.00	13.75	9.50
Delaware.....	120.00	35.00	85.00	50.00	12.00	7.00	15.00	1.00
District of Columbia.....	136.00	42.00	94.00	53.00	20.00	(⁷)	12.00	⁷ 9.00
Florida.....	146.95	50.00	96.95	57.00	14.50	14.00	8.70	2.75
Georgia.....	104.00	25.00	79.00	54.00	9.50	6.00	9.50	-----
Hawaii.....	117.90	50.00	67.90	56.50	4.00	-----	7.40	-----
Idaho.....	146.40	38.00	108.40	54.00	14.00	22.00	⁵ 14.00	4.40
Illinois.....	(⁹)	(⁹)	80.40	44.00	9.30	4.20	20.40	2.50
Indiana.....	87.50	25.00	62.50	39.20	8.80	3.70	8.80	2.00
Iowa.....	143.78	29.00	114.78	49.13	14.30	17.50	19.00	14.85
Kansas.....	127.82	⁵ 26.00	101.82	44.50	12.00	(⁷)	7.82	⁷ 37.50
Kentucky.....	104.70	27.30	77.40	46.80	14.60	5.00	8.00	3.00
Louisiana.....	163.00	36.25	126.75	54.00	14.00	11.00	6.75	41.00
Maine.....	130.00	⁵ 28.00	102.00	52.00	18.00	8.00	19.00	5.00
Maryland.....	99.70	31.00	68.70	39.00	⁴ 11.00	(⁹)	11.00	⁹ 7.00
Massachusetts.....	140.70	37.70	103.00	54.55	15.05	4.85	11.30	17.25
Michigan.....	149.21	60.00	89.21	48.00	14.00	8.00	12.71	6.50
Minnesota.....	113.85	⁵ 22.00	91.85	53.40	11.40	10.00	⁵ 12.35	4.70
Mississippi.....	118.97	31.50	87.47	53.60	13.44	4.04	7.27	9.12
Missouri.....	120.28	25.00	95.28	41.93	12.25	¹⁰ 5.05	12.50	¹⁰ 23.55
Montana.....	154.50	⁶ 55.00	⁶ 99.50	53.00	14.00	23.00	(⁶)	9.50
Nebraska.....	133.75	45.00	88.75	47.60	12.00	12.40	14.00	2.75
Nevada.....	188.55	65.00	123.55	64.30	13.90	12.00	16.35	17.00
New Hampshire.....	98.00	25.00	73.00	48.00	8.00	(⁷)	13.00	⁷ 4.00
New Jersey.....	133.80	⁵ 37.00	96.80	56.00	11.80	10.40	16.10	2.50
New Mexico.....	109.50	26.00	83.50	60.00	10.00	-----	10.00	3.50
New York.....	107.60	¹¹ 31.00	¹¹ 76.60	51.30	8.40	¹⁰ 3.30	¹¹ 4.70	¹⁰ 8.90
North Carolina.....	124.50	50.00	74.50	55.00	10.00	2.00	6.50	1.00
North Dakota.....	121.05	⁵ 30.00	91.05	49.80	13.40	4.60	⁵ 15.25	8.00
Ohio.....	165.00	⁶ 70.00	⁶ 95.00	63.00	11.00	(⁷)	(⁶)	⁷ 21.00
Oklahoma.....	140.00	30.00	110.00	50.00	12.00	32.00	12.00	4.00
Oregon.....	137.00	⁶ 45.00	⁶ 92.00	64.00	12.00	9.00	(⁶)	7.00
Pennsylvania.....	96.20	24.90	71.30	44.00	10.00	(⁷)	12.50	⁷ 4.80
Puerto Rico.....	44.64	⁵ 8.00	36.64	24.50	5.80	3.20	3.14	-----
Rhode Island.....	111.75	35.00	76.75	46.15	9.20	3.15	15.55	2.70
South Carolina.....	90.85	35.00	55.85	39.00	7.70	1.50	6.65	1.00
South Dakota.....	134.80	45.00	89.80	53.60	10.20	7.20	16.10	2.70
Tennessee.....	93.70	25.00	68.70	42.00	8.00	8.00	9.00	1.70
Texas.....	107.80	26.40	81.40	63.80	⁴ 7.00	(⁴ ¹⁰)	6.60	¹⁰ 4.00
Utah.....	131.65	32.55	99.10	51.00	21.00	6.50	13.60	7.00
Vermont.....	124.50	⁵ 30.00	94.50	48.00	12.60	(⁷)	28.50	⁷ 5.40
Virgin Islands.....	41.00	9.00	32.00	24.00	7.00	-----	1.00	-----
Virginia.....	98.50	34.70	63.80	38.00	9.00	4.10	10.30	2.40
Washington.....	164.35	52.00	112.35	49.80	13.80	¹⁰ 15.80	14.95	¹⁰ 18.00
West Virginia.....	78.45	⁵ 17.00	61.45	39.64	10.72	1.74	7.95	1.40
Wisconsin.....	133.60	50.00	83.60	45.60	12.00	8.00	15.00	3.00
Wyoming.....	169.73	45.00	124.73	56.00	18.00	18.00	12.23	20.50

¹ Represents fixed amount, maximum, or amount considered necessary unless otherwise indicated.² Based on data for 52 States. Amount for rent in Ohio not considered highest because of inclusion of amount for utilities.³ Based on data for 49 States.⁴ Amount for personal care included with amount for clothing.⁵ Estimated average.⁶ Amount for utilities included with amount for rent. For California, additional amount for rent and utilities considered "special need."⁷ Amount for personal care and medicine chest supplies included with amount for "All other."⁸ Data for rent not available; incomplete data preclude determination of amount for total basic needs.⁹ Includes ice for refrigeration.¹⁰ Amount for medicine chest supplies included with amount for "All other."¹¹ Amount for heating included with amount for rent; rent represents estimated average based on 1 percent sample of cases in New York City.

TABLE 4.—*Aid to dependent children: Monthly cost standards for basic needs for family consisting of mother (35), boy (14), 1 girl (9), and 1 girl (4), and living in rented quarters, by State, July 1958*

State	Total	Rent ¹	Items other than rent					
			Total	Food	Clothing	Personal care and medicine chest supplies	Utilities ¹	All other
High.....	² \$241.00	² \$85.00	\$208.00	\$132.00	\$35.00	-----	² \$31.50	-----
Median.....	² 173.10	² 37.60	134.00	80.00	22.50	-----	² 12.76	-----
Low.....	² 61.50	² 9.40	49.50	36.50	8.00	-----	² 2.00	-----
Alabama.....	137.05	30.75	106.30	70.84	³ 22.32	⁴ \$1.80	6.95	\$4.39
Alaska.....	241.00	33.00	208.00	132.00	30.00	9.00	30.00	7.00
Arizona.....	174.00	40.00	134.00	74.00	21.00	18.00	15.00	6.00
Arkansas.....	124.50	22.50	102.00	77.00	17.00	-----	⁴ 8.00	-----
California.....	192.60	46.80	145.80	85.30	31.30	⁵ 5.30	6.00	⁵ 17.90
Colorado.....	157.00	⁴ 46.92	110.08	69.00	18.90	⁵ 5.50	⁴ 12.78	⁵ 3.90
Connecticut.....	199.25	⁴ 60.00	139.25	79.00	24.25	8.75	18.75	8.50
Delaware.....	170.50	35.00	135.50	84.00	25.00	10.50	15.00	1.00
District of Columbia.....	177.00	46.00	131.00	72.00	31.00	(⁶)	15.00	⁶ 13.00
Florida.....	220.45	65.00	155.45	101.00	24.00	15.00	11.70	3.75
Georgia.....	154.50	30.00	124.50	88.50	19.00	6.00	11.00	-----
Hawaii.....	158.35	50.00	108.35	91.00	8.00	-----	9.35	-----
Idaho.....	204.10	52.00	152.10	81.00	25.50	22.35	⁴ 17.25	6.00
Illinois.....	(⁷)	(⁷)	125.65	71.45	19.95	6.30	23.75	4.20
Indiana.....	141.35	25.00	116.35	74.10	19.70	5.75	12.05	4.75
Iowa.....	197.98	42.00	155.98	79.63	26.10	9.40	25.75	15.10
Kansas.....	166.60	⁴ 32.00	134.60	74.85	27.75	(⁶)	9.75	⁶ 22.25
Kentucky.....	172.20	35.20	137.00	92.70	22.80	6.00	11.00	4.50
Louisiana.....	139.75	30.00	109.75	71.50	18.50	9.00	8.00	2.75
Maine.....	195.00	⁴ 32.00	163.00	91.00	31.00	10.00	19.00	12.00
Maryland.....	134.15	31.00	103.15	60.00	³ 21.50	(⁶)	11.50	⁶ 10.15
Massachusetts.....	192.40	50.30	142.10	84.20	32.00	5.85	11.30	8.75
Michigan.....	220.25	60.00	160.25	97.00	26.00	16.00	18.50	2.75
Minnesota.....	162.20	28.00	134.20	86.90	21.40	13.50	⁴ 6.00	6.40
Mississippi.....	163.64	31.50	132.14	84.10	21.00	6.36	8.72	11.96
Missouri.....	182.45	35.00	147.45	73.90	22.45	⁵ 8.65	14.50	⁵ 27.95
Montana.....	201.25	⁶ 67.50	⁶ 133.75	81.25	23.50	16.50	(⁹)	12.50
Nebraska.....	202.70	60.00	142.70	77.75	26.20	19.20	15.50	4.05
Nevada.....	235.25	85.00	150.25	90.65	24.15	6.20	19.20	10.05
New Hampshire.....	156.50	30.00	126.50	85.50	14.50	(⁶)	20.00	⁶ 6.50
New Jersey.....	204.80	⁴ 42.00	162.80	91.50	28.50	16.00	22.80	4.00
New Mexico.....	150.00	25.00	125.00	91.00	18.00	-----	⁴ 11.50	4.50
New York.....	187.60	¹⁰ 60.00	¹⁰ 127.60	80.30	21.00	⁵ 4.60	¹⁰ 6.40	⁵ 15.30
North Carolina.....	171.00	50.00	121.00	80.00	19.00	2.00	9.50	10.50
North Dakota.....	184.70	⁴ 40.00	144.70	83.70	23.70	4.60	⁴ 19.80	12.90
Ohio.....	194.11	⁴ 55.00	139.11	77.50	³ 34.50	³ 1.00	⁴ 19.00	7.11
Oklahoma.....	135.00	30.00	105.00	65.00	12.00	12.00	12.00	4.00
Oregon.....	195.75	50.00	145.75	87.75	22.50	14.00	18.00	3.50
Pennsylvania.....	144.70	29.90	114.80	73.00	20.00	(⁶)	14.80	⁶ 7.00
Puerto Rico.....	69.34	⁴ 9.40	59.94	40.95	8.50	5.10	⁴ 5.39	-----
Rhode Island.....	156.35	35.00	121.35	75.05	17.85	5.65	19.30	3.50
South Carolina.....	¹¹ 133.50	35.00	98.50	71.50	14.35	3.00	7.65	2.00
South Dakota.....	204.45	45.00	159.45	93.95	28.60	13.75	20.15	3.00
Tennessee.....	143.00	25.00	118.00	76.00	16.00	15.00	9.00	2.00
Texas.....	143.30	26.50	116.80	88.00	³ 15.75	(³)	7.30	⁵ 5.75
Utah.....	209.05	⁵ 51.55	157.50	90.00	35.00	8.50	15.75	8.25
Vermont.....	178.90	⁴ 30.00	148.90	82.05	26.00	(⁶)	31.50	⁶ 9.35
Virgin Islands.....	61.50	12.00	49.50	36.50	11.00	-----	2.00	-----
Virginia.....	167.45	47.95	119.50	70.15	24.75	6.95	12.05	5.60
Washington.....	213.85	52.00	161.85	79.30	30.55	⁴ 18.20	22.25	⁵ 11.55
West Virginia.....	141.72	⁴ 25.00	116.72	74.90	20.29	3.48	9.25	8.80
Wisconsin.....	195.15	55.00	140.15	72.35	29.60	11.20	19.00	8.00
Wyoming.....	197.68	45.00	152.68	80.20	33.00	6.00	12.73	20.75

¹ Represents fixed amount, maximum, or amount considered necessary unless otherwise indicated.² Based on data for 52 States.³ Amount for personal care included with amount for clothing.⁴ Estimated average.⁵ Amount for medicine chest supplies included with amount for "All other."⁶ Amount for personal care and medicine chest supplies included with amount for "All other."⁷ Data for rent not available; incomplete data preclude determination of amount for total basic need.⁸ Includes ice for refrigeration.⁹ Amount for utilities included with amount for rent.¹⁰ Amount for heating included with amount for rent; rent represents estimated average based on 1 percent sample of cases in New York City.¹¹ Adjusted amount with which family's income would have been compared was \$90.

TABLE 5.—*Aid to dependent children: Monthly cost standards for basic needs for family consisting of mother (\$5) and boy (9), and living in rented quarters, by State, July 1958*

State	Total	Rent ¹	Items other than rent				
			Total	Food	Clothing	Personal care and medicine chest supplies	Utilities ¹ All other
High.....	² \$164.00	² \$65.00	\$131.00	\$75.00	\$19.00	-----	² \$31.50
Median.....	² 116.98	² 33.00	78.90	46.40	12.00	-----	² 11.75
Low.....	² 35.50	² 7.00	26.50	19.50	4.00	-----	² 1.00
Alabama.....	83.69	30.75	52.94	33.01	³ 10.57	³ \$1.00	5.80
Alaska.....	164.00	33.00	131.00	75.00	15.00	5.00	30.00
Arizona.....	131.00	35.00	96.00	49.00	12.00	15.00	15.00
Arkansas.....	78.50	19.50	59.00	42.00	9.00	-----	⁴ 8.00
California.....	127.00	46.80	80.20	43.00	15.90	⁵ 3.00	6.00
Colorado.....	105.71	⁴ 46.92	58.79	37.00	9.60	⁵ 3.00	⁶ 6.39
Connecticut.....	136.15	⁴ 50.00	86.15	48.90	13.00	4.75	13.75
Delaware.....	112.25	35.00	77.25	44.00	11.00	6.25	15.00
District of Columbia.....	122.00	42.00	80.00	43.00	17.00	(⁹)	12.00
Florida.....	131.45	50.00	81.45	50.50	12.00	7.50	8.70
Georgia.....	93.00	25.00	68.00	46.00	9.50	3.00	9.50
Hawaii.....	115.90	50.00	65.90	54.50	4.00	-----	7.40
Idaho.....	149.30	52.00	97.30	51.50	13.50	13.30	⁴ 14.00
Illinois.....	(⁷)	(⁷)	77.15	40.70	10.10	3.45	20.40
Indiana.....	89.00	25.00	64.00	39.65	9.70	3.10	8.80
Iowa.....	125.93	29.00	96.93	47.93	14.40	6.45	19.00
Kansas.....	103.47	⁴ 28.00	75.47	40.90	12.50	(⁹)	⁸ 7.82
Kentucky.....	106.90	27.30	79.60	51.40	12.20	3.00	10.00
Louisiana.....	93.50	30.00	63.50	42.00	9.50	4.50	6.00
Maine.....	127.50	⁴ 29.00	98.50	49.00	16.00	6.00	19.00
Maryland.....	98.65	31.00	67.65	39.00	³ 11.00	(⁹)	11.00
Massachusetts.....	149.30	50.30	99.00	60.90	18.55	3.45	11.30
Michigan.....	142.45	60.00	82.45	46.00	13.00	8.00	13.95
Minnesota.....	100.90	22.00	78.90	49.55	11.50	8.00	⁴ 5.15
Mississippi.....	117.42	31.50	85.92	53.60	13.44	4.04	7.27
Missouri.....	120.19	30.00	90.19	39.19	12.10	⁵ 4.85	10.50
Montana.....	139.25	⁹ 55.00	⁸ 84.25	47.75	12.50	14.75	(⁹)
Nebraska.....	127.65	40.00	87.65	46.65	13.75	10.50	14.00
Nevada.....	157.90	65.00	92.90	55.50	13.70	4.00	12.30
New Hampshire.....	105.00	30.00	75.00	47.00	7.50	(⁹)	16.00
New Jersey.....	123.90	⁴ 35.00	88.90	50.00	12.30	8.00	16.10
New Mexico.....	101.00	25.00	76.00	52.00	9.00	-----	⁴ 11.50
New York.....	121.80	¹⁰ 53.00	68.80	47.45	9.70	⁵ 2.45	¹⁰ 4.70
North Carolina.....	128.25	50.00	78.25	55.00	10.00	2.00	6.50
North Dakota.....	116.55	⁴ 33.00	83.55	43.60	12.20	3.00	⁴ 16.75
Ohio.....	111.63	⁴ 35.00	76.63	43.50	⁵ 16.90	⁸ 5.50	⁴ 12.50
Oklahoma.....	97.00	30.00	67.00	38.00	7.00	6.00	12.00
Oregon.....	126.10	40.00	86.10	48.75	11.75	6.75	15.35
Pennsylvania.....	96.20	24.90	71.30	44.00	10.00	(⁹)	12.50
Puerto Rico.....	39.80	⁴ 7.00	32.80	21.75	5.10	3.10	⁴ 2.85
Rhode Island.....	112.50	35.00	77.50	44.88	9.65	2.80	17.55
South Carolina.....	¹¹ 87.10	35.00	52.10	36.00	6.95	1.50	6.65
South Dakota.....	122.00	30.00	92.00	51.80	14.60	6.90	16.40
Tennessee.....	93.70	25.00	68.70	42.00	8.00	8.00	9.00
Texas.....	95.55	26.50	69.05	50.50	⁸ 8.00	(⁸ 5)	7.30
Utah.....	124.15	32.55	91.60	48.50	19.00	5.25	13.60
Vermont.....	127.95	⁴ 30.00	97.95	49.00	11.70	(⁹)	31.50
Virgin Islands.....	35.50	9.00	26.50	19.50	6.00	-----	1.00
Virginia.....	99.80	34.70	65.10	36.10	12.30	3.65	10.30
Washington.....	150.00	52.00	98.00	46.65	15.10	⁵ 10.70	17.55
West Virginia.....	82.75	23.00	59.75	36.72	9.94	1.74	7.95
Wisconsin.....	135.90	50.00	85.90	43.50	16.75	6.40	15.00
Wyoming.....	135.03	45.00	90.03	46.40	18.00	3.00	12.23

¹ Represents fixed amount, maximum, or amount considered necessary unless otherwise indicated.² Based on data for 52 States.³ Amount for personal care included with amount for clothing.⁴ Estimated average.⁵ Amount for medicine chest supplies included with amount for "All other."⁶ Amount for personal care and medicine chest supplies included with amount for "All other."⁷ Data for rent not available; incomplete data preclude determination of amount for total basic needs.⁸ Includes ice for refrigeration.⁹ Amount for utilities included with amount for rent.¹⁰ Amount for heating included with amount for rent; rent represents estimated average based on 1 percent sample of cases in New York City.¹¹ Adjusted amount with which family's income would have been compared was \$54.

TABLE 6.—Aid to dependent children: Monthly cost standards for basic needs for family consisting of incapacitated father (40), mother (35), boy (11), and girl (7), and living in rented quarters, by State, July 1958

State	Total	Rent ¹	Items other than rent					All other
			Total	Food	Clothing	Personal care and medicine chest supplies	Utilities ¹	
High.....	² \$248.00	² \$85.00	\$215.00	\$138.00	\$38.00	-----	² \$31.50	-----
Median.....	² 177.72	² 37.10	141.00	84.00	24.00	-----	² 12.76	-----
Low.....	² 62.50	² 9.40	50.50	36.50	8.00	-----	² 2.00	-----
Alabama.....	136.08	30.75	105.33	70.12	³ 21.87	³ \$2.00	6.95	\$4.39
Alaska.....	248.00	33.00	215.00	138.00	30.00	10.00	30.00	7.00
Arizona.....	187.00	40.00	147.00	84.00	24.00	18.00	15.00	6.00
Arkansas.....	⁴ 132.50	22.50	110.00	84.00	18.00	-----	⁶ 8.00	-----
California.....	195.90	46.80	149.10	86.00	31.80	⁶ 6.00	6.00	⁶ 19.30
Colorado.....	166.90	⁴ 46.92	119.98	76.00	21.50	⁶ 6.00	⁵ 12.78	⁶ 3.70
Connecticut.....	214.90	⁴ 65.00	149.90	84.40	27.00	9.50	18.75	10.25
Delaware.....	176.50	35.00	141.50	91.00	24.00	10.50	15.00	1.00
District of Columbia.....	190.00	46.00	144.00	81.00	34.00	(7)	15.00	⁷ 14.00
Florida.....	220.45	65.00	155.45	101.00	24.00	15.00	11.70	3.75
Georgia.....	153.00	30.00	123.00	88.50	19.00	4.50	11.00	-----
Hawaii.....	153.35	50.00	103.35	86.00	8.00	-----	9.35	-----
Idaho.....	210.25	52.00	158.25	86.00	27.00	22.30	⁵ 17.25	5.70
Illinois.....	(9)	(9)	129.05	74.00	20.20	6.90	23.75	4.20
Indiana.....	141.80	25.00	116.80	74.90	19.40	6.20	12.05	4.25
Iowa.....	205.24	42.00	163.24	84.39	27.30	10.70	25.75	15.10
Kansas.....	165.70	³ 32.00	133.70	77.20	25.00	(7)	9.75	⁷ 21.75
Kentucky.....	⁴ 169.60	35.20	134.40	88.50	24.40	6.00	11.00	4.50
Louisiana.....	142.75	30.00	112.75	74.00	19.00	9.00	8.00	2.75
Maine.....	203.00	³ 32.00	171.00	98.00	32.00	10.00	19.00	12.00
Maryland.....	134.30	31.00	103.30	60.00	³ 21.50	(3)	11.50	⁹ 10.30
Massachusetts.....	199.40	50.30	149.10	87.30	33.20	7.45	11.30	9.85
Michigan.....	213.76	60.00	153.76	92.00	26.00	16.00	17.26	2.50
Minnesota.....	176.25	28.00	148.25	93.55	25.20	17.10	⁶ 6.00	6.40
Mississippi.....	163.69	31.50	132.19	84.10	21.00	6.36	8.72	12.01
Missouri.....	183.40	35.00	148.40	74.45	22.85	⁶ 8.65	14.50	⁶ 27.95
Montana.....	208.50	¹⁰ 67.50	¹⁰ 141.00	83.50	25.00	19.50	(10)	13.00
Nebraska.....	206.35	60.00	146.35	79.45	26.35	21.00	15.50	4.05
Nevada.....	243.25	85.00	158.25	96.20	24.80	8.00	19.20	10.05
New Hampshire.....	162.00	30.00	132.00	90.00	15.00	(7)	20.00	⁷ 7.00
New Jersey.....	204.20	³ 42.00	162.20	90.80	28.10	16.50	22.80	4.00
New Mexico.....	154.50	25.00	129.50	94.50	19.00	-----	⁵ 11.50	4.50
New York.....	178.95	¹¹ 54.00	¹¹ 124.95	82.50	19.55	⁶ 5.10	¹¹ 6.40	⁶ 11.40
North Carolina.....	170.00	50.00	120.00	80.00	19.00	2.00	9.50	9.50
North Dakota.....	183.50	³ 39.00	144.50	80.80	25.40	6.00	⁵ 19.90	12.40
Ohio.....	197.31	³ 50.00	147.31	90.00	³ 30.85	³ 1.00	⁵ 19.00	6.46
Oklahoma.....	135.00	30.00	105.00	65.00	12.00	12.00	12.00	4.00
Oregon.....	200.00	50.00	150.00	92.50	23.50	12.00	18.00	4.00
Pennsylvania.....	152.70	29.90	122.80	80.00	20.00	(7)	14.80	⁷ 8.00
Puerto Rico.....	74.69	³ 9.40	65.29	43.50	10.20	6.20	⁵ 5.39	-----
Rhode Island.....	161.60	35.00	126.60	78.50	19.15	6.15	19.30	3.50
South Carolina.....	⁴ 136.65	35.00	101.65	74.50	14.50	3.00	7.65	2.00
South Dakota.....	204.45	45.00	159.45	93.75	26.05	12.70	20.15	3.00
Tennessee.....	143.00	25.00	118.00	76.00	16.00	15.00	9.00	2.00
Texas.....	158.80	31.50	127.30	98.00	³ 15.50	(3) ⁶	7.30	⁶ 5.50
Utah.....	219.80	51.55	168.25	97.00	38.00	9.00	15.75	8.50
Vermont.....	179.80	³ 30.00	149.80	82.85	26.10	(7)	31.50	⁷ 9.35
Virgin Islands.....	62.50	12.00	50.50	36.50	12.00	-----	2.00	-----
Virginia.....	167.95	47.95	120.00	72.20	22.85	7.30	12.05	5.60
Washington.....	217.45	52.00	165.45	81.05	29.20	⁶ 21.40	22.25	⁶ 11.55
West Virginia.....	127.85	⁶ 15.00	112.85	73.44	19.88	3.48	9.25	6.80
Wisconsin.....	201.25	60.00	141.25	72.30	29.65	12.80	19.00	7.50
Wyoming.....	206.23	45.00	161.23	90.20	33.00	6.00	12.73	19.30

¹ Represents fixed amount, maximum, or amount considered necessary unless otherwise indicated.

² Based on data for 52 States.

³ Amount for personal care included with amount for clothing.

⁴ Adjusted amount with which family's income would have been compared: Arkansas, \$130; Kentucky \$127.95; South Carolina, \$99.

⁵ Estimated average.

⁶ Amount for medicine chest supplies included with amount for "All other."

⁷ Amount for personal care and medicine chest supplies included with amount for "All other."

⁸ Data for rent not available; incomplete data preclude determination of amount for total basic needs.

⁹ Includes fee for refrigeration.

¹⁰ Amount for utilities included with amount for rent.

¹¹ Amount for heating included with amount for rent; rent represents estimated average based on 1 percent sample of cases in New York City.

TABLE 7.—U.S. Department of Agriculture low-cost food plan,¹ and public assistance food cost standards for specified types of cases, by State,² July 1958

State	Old-age assistance			Aid to dependent children		
	Aged man living alone		Aged couple keeping house alone	Mother (35), and—		Incapacitated father (40), mother (35), boy (11), and girl (7)
	Keeping house	In furnished room and eating in restaurants		Boy (14), girl (9), and girl (4)	Boy (9)	
U.S. Department of Agriculture low-cost food plan ¹	\$38.00	-----	\$60.50	\$95.50	\$56.00	\$102.00
Public assistance food standard: ²						
High.....	39.00	³ \$63.95	64.30	101.00	60.90	101.00
Median.....	28.00	³ 45.00	52.00	80.00	46.40	84.00
Low.....	21.00	³ 21.84	38.00	60.00	33.01	60.00
Alabama.....	28.50	28.50	57.00	70.84	33.01	70.12
Arizona.....	39.00	45.00	64.00	74.00	49.00	84.00
Arkansas.....	27.00	35.10	54.00	77.00	42.00	81.00
California.....	28.50	28.50	57.00	85.30	43.00	86.00
Colorado.....	31.00	31.00	62.00	69.00	37.00	76.00
Connecticut.....	30.45	53.00	52.10	79.00	48.90	84.40
Delaware.....	25.00	55.00	50.00	84.00	41.00	91.00
District of Columbia.....	30.00	53.00	53.00	72.00	43.00	81.00
Florida.....	28.50	37.85	57.00	101.00	50.50	101.00
Georgia.....	27.00	27.00	54.00	88.50	46.00	88.50
Idaho.....	29.50	59.00	54.00	51.50	40.70	86.00
Illinois.....	25.00	50.20	44.00	71.45	49.00	74.00
Indiana.....	22.20	35.00	39.20	74.10	38.65	74.96
Iowa.....	26.98	45.25	49.13	79.63	47.98	84.39
Kansas.....	24.75	45.00	44.50	74.85	40.90	77.20
Kentucky.....	27.60	27.60	46.80	92.70	51.40	88.50
Louisiana.....	30.00	43.00	54.00	71.50	42.00	74.00
Maine.....	29.00	46.50	52.00	91.00	49.00	98.00
Maryland.....	21.00	31.00	39.00	60.00	39.00	60.00
Massachusetts.....	33.95	59.05	54.55	84.20	60.90	87.30
Michigan.....	29.00	43.00	48.00	97.00	46.00	92.00
Minnesota.....	29.40	52.50	53.40	86.90	49.55	93.55
Mississippi.....	26.80	26.80	53.60	84.10	53.60	84.10
Missouri.....	23.09	45.00	41.93	73.90	39.19	74.45
Montana.....	30.00	50.00	53.00	81.25	47.75	83.50
Nebraska.....	26.35	42.00	47.60	77.75	46.65	79.45
Nevada.....	36.15	60.50	64.30	90.65	55.50	96.20
New Hampshire.....	28.50	49.00	48.00	85.50	47.00	90.00
New Jersey.....	31.50	60.00	56.00	91.50	50.00	90.80
New Mexico.....	30.00	30.00	60.00	91.00	52.00	94.50
New York.....	28.85	60.00	51.30	80.30	47.45	82.50
North Carolina.....	30.00	³ 75.00	55.00	80.00	55.00	80.00
North Dakota.....	27.10	50.00	49.80	83.70	43.60	80.80
Ohio.....	33.50	42.17	63.00	77.50	43.50	90.00
Oklahoma.....	25.00	45.00	50.00	65.00	38.00	65.00
Oregon.....	32.00	47.00	64.00	87.75	48.75	92.50
Pennsylvania.....	26.20	26.20	44.00	73.00	44.00	80.00
Rhode Island.....	26.70	49.45	46.15	75.05	44.80	78.50
South Carolina.....	24.00	33.00	39.00	71.50	36.00	74.50
South Dakota.....	27.95	42.95	53.60	93.95	51.80	93.75
Tennessee.....	25.00	45.00	42.00	76.00	42.00	76.00
Texas.....	33.50	42.00	63.80	88.00	50.50	98.00
Utah.....	25.50	45.50	51.00	90.00	48.50	97.00
Vermont.....	28.00	45.00	48.00	82.05	49.00	82.85
Virginia.....	21.00	45.00	38.00	70.15	36.10	72.20
Washington.....	28.00	63.95	49.80	79.30	46.65	81.05
West Virginia.....	21.84	21.84	39.64	74.90	36.72	73.44
Wisconsin.....	25.50	45.00	45.60	72.35	43.50	72.30
Wyoming.....	34.00	45.00	56.00	80.20	46.40	90.20

¹ Data for August 1958. Amounts derived from table 12, "Family Economics Review," Institute of Home Economics, Agriculture Research Service, U.S. Department of Agriculture, October 1958.

² Based on data excluding outlying jurisdictions.

³ Based on data for 48 States; amount for North Carolina not considered highest because of inclusion of rent.

APPENDIX D

GENERAL ASSISTANCE

SUMMARY OF SELECTED CHARACTERISTICS

The attached summary is based on the report "Characteristics of General Assistance in the United States" now in process of publication by the Bureau of Public Assistance and to be released in the near future.

The summary is based on information obtained by the Bureau of Public Assistance from State agencies administering the federally aided public assistance programs. The information was collected in January 1959, and is presented as in effect in that month, with some subsequent changes noted where more recent information was available.

A word of caution is in order with regard to the use of this summary. Because the scope and adequacy of the program is dependent on all aspects of the program in a State and in approximately half of the States vary among local jurisdictions, care should be taken not to draw unwarranted conclusions from individual factors of program content, either with regard to a specific State or to the nationwide picture. Moreover, States were requested to provide the information that represents the most common practice in the State, with a recognition that complete and detailed accuracy as to many local policies and practices could not be obtained within the resources available for the preparation of this report.

The following definition of general assistance is used for this summary: General assistance is a *public program* (financed from State or local funds) *which furnishes financial assistance to needy families or individuals primarily in their homes*. Assistance may be given in the form of money payments, assistance in kind provided directly to recipients, vendor payments for medical or remedial care, or vendor payments for other goods and services. It may include assistance to recipients living in boarding or nursing homes or in certain public or private institutions, with the exception of transient care given through shelters or overnight lodging houses. It does not include cases in which only vendor payments for burials are made.

This is the same definition which has been used for some years by the Bureau and the States in the voluntary monthly caseload and expenditures reports on general assistance which many States have been making to the Bureau.

I. ADMINISTRATION

A. State agency responsibility

General assistance *administered* by the State public assistance agency through its local offices (18 States):

Alabama ¹	Hawaii	Puerto Rico ²
Alaska	Louisiana	South Carolina ²
Arizona	Missouri	Utah
Arkansas ¹	New Mexico ²	Virgin Islands
Delaware	Oklahoma ²	Washington
District of Columbia	Pennsylvania	West Virginia

See footnotes, p. 95.

General assistance *supervised by* the State public assistance agency through local offices which are branches of county or municipal government, usually also serving federally aided programs (9 States):

Illinois ³	Montana	Oregon
Kansas	New York	Virginia
Maryland ¹	Ohio	Wyoming

General assistance *administered by* local political jurisdictions (26 States):

(1) With specifically limited responsibility exercised by the State public assistance agency (8 States):

California ⁴	Massachusetts ⁵	Rhode Island ^{3 5}
Connecticut ⁵	Minnesota ⁴	Vermont ⁵
Maine ⁵	New Jersey ^{3 5}	

(2) No responsibility exercised by State agency (18 States):

Colorado	Kentucky	North Carolina
Florida	Michigan	North Dakota
Georgia	Mississippi	South Dakota
Idaho	Nebraska	Tennessee
Indiana	Nevada	Texas
Iowa	New Hampshire	Wisconsin

B. Source of funds

(1) Assistance and administrative costs from same source (48 States):

State funds only (16 States):

Alabama	Louisiana	South Carolina ⁶
Alaska	Missouri	Utah
Arizona	New Mexico ⁶	Virgin Islands
Arkansas	Oklahoma ⁶	Washington
District of Columbia	Pennsylvania	
Hawaii	Puerto Rico	

Combination of State and local funds (15 States):

Delaware	Massachusetts ⁸	Ohio
Illinois ⁷	Michigan	Rhode Island ⁷
Kansas	Montana	Virginia
Maine ⁸	New Jersey ⁷	Wisconsin ⁸
Maryland	New York	Wyoming

Local funds only (17 States):

California	Iowa	New Hampshire
Colorado	Kentucky	North Carolina
Florida	Minnesota ⁹	South Dakota ¹⁰
Georgia	Mississippi	Tennessee
Idaho	Nebraska	Texas
Indiana	Nevada	

See footnotes, p. 95.

(2) Assistance costs and administrative costs met by funds from different sources (5 States):

State name	State funds only	Combination of State-local	Local funds only
Connecticut.....		Assistance.....	Administrative.
North Dakota ⁸		do.....	Do.
Oregon.....	Administrative.....	do.....	
Vermont ⁸		do.....	Administrative.
West Virginia.....	Administrative.....	do.....	

C. Local unit of administration

County is the most common unit (geographical area or political subdivision of government) for administration of general assistance (39 States):

Alabama	Louisiana	Ohio
Arizona	Maryland ¹¹	Oklahoma
Arkansas	Michigan ¹¹	Oregon
Delaware	Minnesota ^{11 12}	Pennsylvania
California	Mississippi ¹¹	South Carolina
Colorado	Missouri ¹¹	South Dakota
Florida ¹¹	Montana	Tennessee ¹¹
Georgia ¹¹	Nebraska	Texas ¹¹
Hawaii	Nevada	Utah
Idaho	New Mexico	Virginia ¹¹
Iowa	New York ^{11 12}	Washington
Kansas	North Carolina	West Virginia
Kentucky ¹¹	North Dakota	Wyoming

Township, "towns," municipalities, or combinations of such local units, are the most common administrative units (10 States):

Connecticut	Massachusetts	Vermont
Illinois ¹²	New Hampshire	Wisconsin
Indiana	New Jersey	
Maine	Rhode Island	

A *defined area unit* of the State public assistance agency is the unit of administration (4 States):

Alaska	Puerto Rico
District of Columbia	Virgin Islands

II. SELECTED CONDITIONS OF ELIGIBILITY

A. Family status and employability

In all States needy families are eligible for general assistance, but in 17 States there is a requirement that there be no employable person in the family.

See footnotes, p. 95.

Assistance limited to unemployable persons or to families without an employable person (17 States):

Arizona ¹³	Maryland ¹⁵	Puerto Rico ¹⁶
District of Columbia ¹⁴	Mississippi	South Carolina ¹³
Georgia	Missouri	Texas
Hawaii	Nevada ¹³	Virgin Islands
Iowa ¹³	North Carolina	West Virginia
Louisiana	Oklahoma	

In an additional four States, requirements concerning employability are applied to couples and nonfamily persons although not applied to families. In Alaska and New Mexico, couples and nonfamily individuals are eligible only if unemployable. In Oregon, such persons are eligible only when employment is not available, or in the case of single men, if unemployable. In Washington, assistance to single, employable, unemployed males under 50 years of age is given "at the discretion of the local administrator in the light of local employment conditions."

B. Residence requirement

No durational residence requirement (14 States):

Arkansas	Massachusetts ¹⁸	Puerto Rico
Connecticut	Nebraska	South Carolina
Hawaii ¹⁷	New Hampshire	Vermont ¹⁸
Indiana	New Jersey ¹⁷	Virgin Islands ¹⁷
Maine	New York	

Durational residence requirement, State, local or both (39 States):

Exceptions made for short-time assistance to nonresidents, usually pending return to place of legal residence (20 States):

Alaska	Kansas	Rhode Island ²⁴
Arizona ¹⁹	Maryland	Utah ²⁵
California	Minnesota	Washington
Delaware ²⁰	Nevada ²³	West Virginia
District of Columbia ²¹	New Mexico	Wisconsin
Georgia ²²	Ohio	Wyoming ¹⁹
Illinois	Pennsylvania	

Exceptions made for emergency assistance only; including, but not limited to, emergency medical care (15 States):

Alabama	Louisiana ²¹	North Dakota
Colorado	Michigan	Oregon
Florida	Mississippi	South Dakota
Idaho	Missouri	Texas
Iowa	Montana	Virginia

Residence requirement generally applied; no exceptions reported for aid to nonresidents, transients, or migrants (4 States):

Kentucky	Oklahoma	Tennessee
North Carolina		

See footnotes, p. 95.

III. PROGRAM CONTENT

A. Most common uses of general assistance

To respond to any kind of need of an eligible family or individual as defined by the particular State's program (27 States):

Alaska	Louisiana ²⁶	Oregon
Arizona ^{26 27}	Maryland ^{26 29}	Pennsylvania
Connecticut	Massachusetts	Rhode Island ²⁸
Delaware	Michigan	South Carolina ^{26 27}
District of Columbia ²⁶	Minnesota	Utah
Hawaii ²⁶	Missouri ²⁶	Virgin Islands ²⁶
Idaho	New Jersey ²⁸	Virginia
Illinois ²⁸	New Mexico	West Virginia ²⁶
Kansas	New York	Wyoming

To meet continuing need of eligible families or individuals in specified types of situations only and to give short term or emergency assistance when needed (14 States):

California	Maine	Puerto Rico ^{26 27}
Colorado ³⁰	Mississippi ²⁶	Vermont
Georgia ²⁶	Montana	Washington
Indiana	New Hampshire	Wisconsin
Kentucky	Ohio	

Only to meet emergency needs or give assistance on a short-term basis (12 States):

Alabama	Nebraska ³¹	Oklahoma ²⁶
Arkansas	Nevada ^{26 31}	South Dakota ³¹
Florida	North Carolina ^{26 31}	Tennessee
Iowa ²⁶	North Dakota	Texas ²⁶

B. Limitations on amount or duration of assistance

(1) *Maximums on payment.*—Maximum set on the amount of assistance to a recipient (14 States):

Alabama	Louisiana	Utah
Alaska	Maryland	Washington
Arizona	New Mexico	West Virginia
Arkansas	Oklahoma	Wyoming
Delaware	South Carolina	

No maximum set on amount of assistance except such limitations as may result from limited funds available (24 States):

California	Missouri	Pennsylvania
Connecticut	Montana	Puerto Rico
District of Columbia	Nebraska	Rhode Island
Hawaii	New Hampshire	South Dakota
Illinois	New Jersey	Vermont
Kansas ³²	New York	Virgin Islands
Maine	North Carolina	Virginia
Minnesota	Oregon	Wisconsin

(2) *Limitations on duration.*—Limitations set on length of time assistance may be given (6 States):

Alabama ³²	New Mexico ³²	Virginia
Arkansas	South Carolina	Wyoming

No specific limitations on length of time assistance may be given within scope of State's program (32 States):

Alaska	Maryland	Pennsylvania
Arizona	Minnesota	Puerto Rico
California	Missouri	Rhode Island
Connecticut	Montana	South Dakota
Delaware	Nebraska	Utah ³²
District of Columbia	New Hampshire	Vermont ³²
Hawaii	New Jersey	Virgin Islands
Illinois	New York	Washington
Kansas ³²	North Carolina	West Virginia
Louisiana	Oklahoma ³³	Wisconsin
Maine	Oregon	

(3) *Limitations on amount, duration, or both* are unknown or depend upon local discretion; vary among the local units and may vary within the local unit (15 States):

Colorado	Iowa	Nevada
Florida	Kentucky	North Dakota
Georgia	Massachusetts	Ohio ³⁴
Idaho	Michigan	Tennessee
Indiana	Mississippi	Texas

C. *Method of payment*

(1) *Maintenance items.*—Money payment to recipient generally used ³⁵ (24 States):

Alabama	Hawaii	Pennsylvania
Alaska	Louisiana	Puerto Rico
Arizona	Maryland	South Carolina
Arkansas	Massachusetts	Tennessee
Delaware	Minnesota	Utah
District of Columbia	Missouri	Virginia
Florida	North Carolina	Washington
Georgia	Oklahoma	West Virginia

Vendor payments to supplier of goods or services generally used (10 States):

Colorado	Maine	Texas
Illinois	Nevada	Vermont
Indiana	North Dakota	
Iowa	South Dakota	

Both money payment to recipient and vendor payment to supplier of goods or services are used, depending upon case decision which in some States is based on consistently applied policies and in others is at discretion of local officials (19 States):

California	Montana	Oregon
Connecticut	Nebraska	Rhode Island
Idaho	New Hampshire	Virgin Islands
Kansas	New Jersey	Wisconsin
Kentucky	New Mexico	Wyoming
Michigan	New York	
Mississippi	Ohio	

(2) *Medical care*.—Money payment to recipient (3 States):

Arkansas	North Carolina
Delaware	

Vendor payment to supplier of goods and services (26 States):

Alaska	Minnesota	South Dakota
Colorado	Montana	Utah
Connecticut	New Jersey	Vermont
District of Columbia	New York	Virgin Islands
Illinois	North Dakota	Virginia
Kansas	Ohio	Washington
Kentucky	Oklahoma	West Virginia
Maine	Oregon	Wyoming
Massachusetts	Pennsylvania	

Both money payment and vendor payments used (5 States):

Alabama	Rhode Island
Louisiana	South Carolina
New Hampshire	

Medical care not paid for from general assistance funds or methods of securing medical care for recipients of general assistance not specified as different from those available to other indigent persons (19 States):

Arizona	Iowa	New Mexico
California	Maryland	Puerto Rico
Florida	Michigan	Tennessee
Georgia	Mississippi	Texas
Idaho	Missouri	Wisconsin
Hawaii	Nebraska	
Indiana	Nevada	

See footnotes, p. 95.

- ¹ Has unusual variations or limitations of program.
- ² Separate funds available for emergency aid aside from continuing general assistance.
- ³ Some local jurisdictions receive no State aid and no State supervision; public assistance programs administered by separate staff or separate local agency.
- ⁴ Limited to receiving statistical reports and authority over specified types of intercounty disputes.
- ⁵ State gives financial support in specified ways.
- ⁶ Has also separate county program, using local funds; primarily for emergency aid.
- ⁷ Applies to those local units which participate in the State-aided program, such units serve a majority of the population of the State; other local units use local funds only.
- ⁸ State funds restricted to specified purposes.
- ⁹ Under certain conditions, State funds may be made available to distressed counties.
- ¹⁰ In addition, State-collected taxes are returned to counties for hospitalization of indigent sick, population basis, locally administered.
- ¹¹ Some cities have separate programs or comprise separate administrative units, sometimes with municipal funds and policies which vary from the county program.
- ¹² Has a combination of county and township organization.
- ¹³ Some exceptions or special program provisions are made to meet emergency need.
- ¹⁴ Exception made in specified circumstances involving children.
- ¹⁵ Employable persons may receive aid through a special program if local unit elects to participate and provides funds to match State grant-in-aid.
- ¹⁶ Assistance to meet continuing needs only; aid for emergency needs available from a separate program.
- ¹⁷ Special policies regarding assistance to nonresident persons.
- ¹⁸ Assistance for nonsettled persons paid by State funds.
- ¹⁹ Transients or migrants aided only in emergencies.
- ²⁰ Nonresident may be given immediate aid on basis of reciprocal agreement or understanding with other State.
- ²¹ Transients or migrants not eligible for assistance.
- ²² Applies to urban areas; in rural areas, probably only emergency aid is given.
- ²³ Applies to eight counties; policies in remaining nine unknown.
- ²⁴ One-year residence requirement for receipt of continuing aid; exceptions may be made under specified conditions.
- ²⁵ Able-bodied nonfamily person not eligible except in hardship situation, then limited to 30 days.
- ²⁶ Program limited to unemployable persons or families without an employable member.
- ²⁷ General assistance program (continuing need) is supplemented by a separate program designed to meet emergency needs whether or not there is an employable person.
- ²⁸ Applies to those local units which receive State aid; however, these participating local units serve the majority of the population of the State.
- ²⁹ Special program for aid to employable persons if local unit elects to participate and appropriates fund to match State grant-in-aid.
- ³⁰ Counties vary in uses of general assistance, but at time of report approximately 55 percent of expenditures were for medical care.
- ³¹ Also gives some foster care through general assistance funds.
- ³² Limitations for assistance to nonresidents differ from those set for assistance to resident persons.
- ³³ Applies to long-term cases; short-term cases (persons temporarily incapacitated) limited to 3 months; "disaster cases" receive one check only.
- ³⁴ State-supervised program but "substantial variation in local application of State policies."
- ³⁵ Occasionally in some of these States vendor payments, such as grocery orders or rent checks, are used to meet emergency needs or for aid to transients.

APPENDIX E

CHARACTERISTICS OF AID TO DEPENDENT CHILDREN FAMILIES, U.S.
TOTALS, OCTOBER-DECEMBER 1958

(U.S. Department of Health, Education, and Welfare, Social Security Administration, Bureau of Public Assistance, Division of Program Statistics and Analysis, July 1959)

A brief summary of selected items of information derived from reports submitted by States on Form PA-2019, Biennial Statistical Report on Characteristics of Families Receiving Aid to Dependent Children, is given below and in the attached table. This information is being made available so that interested persons may have some of the major findings on a national basis prior to the availability of State tabulations. A number of the items covered are available on a national basis for the first time, e.g., monthly amounts of requirements and incomes of aid to dependent children families, amounts of income from sources other than assistance, employment status of mothers, and arrangements for care of younger children of working mothers.

Reports were prepared by the States for a selected month in the period October-December 1958. The national totals discussed below do not include Vermont and the Virgin Islands for which data were not available; some of these totals are subject to minor revisions.

Number of families and children

For the Nation, State caseloads for the report month (a month within the period October-December 1958) totaled 745,000 families and 2,142,000 children.

Place of residence

Two-thirds (66 percent) of all families lived in places of 2,500 or more population and one-third (34 percent) were in places of less than 2,500 population or on farms. More than two-fifths of all families lived in cities of 50,000 or more population.

Three-fifths (57.6 percent) of the white families and four-fifths (77.5 percent) of the nonwhite families were in places of 2,500 or more population. Three out of ten white families lived in cities of 50,000 or more population, in contrast to 6 out of 10 nonwhite families.

Race

Six out of ten (57.8 percent) families were white and 4 out of 10 (42.2 percent) were nonwhite. The nonwhite families were largely (94.8 percent) Negro.

Status of father

The distribution of families by status of the father in relation to the reason for deprivation of support or care of the children in the family was as follows:

Status of father	Number of families	Percent
Total.....	745,288	100.0
Dead.....	82,092	11.0
Incapacitated.....	162,621	21.8
Absent.....	487,515	65.4
Divorced or legally separated.....	100,817	13.5
Separated without court decree.....	59,343	8.0
Deserting.....	134,467	18.0
Not married to mother.....	151,059	20.3
Imprisoned.....	33,958	4.6
Absent for other reason.....	7,871	1.1
Other status.....	13,060	1.8

(For information on number of children in these families and definition of father whose status was to be reported, see attached table and explanatory statement.)

Parents in home

The mother was in the home in 9 out of 10 families (89.4 percent), and the father, in 1 family in 5 (20.4 percent). On an estimated basis, both parents were in the home in 19.5 percent of all families; only the mother was present in nearly 70 percent; only the father in about 1 percent; and in about 10 percent the children were living with grandparents or other relatives, with neither parent in the home.

Whereabouts of absent fathers

Of all families in need because of the father's absence from the home (488,000), the father's whereabouts was unknown for about half (48.4 percent). For a fourth (26.1 percent) of the absent-father families, the father was in the same county as his family; for 11.8 percent he was elsewhere in the same State; and for 13.8 percent his whereabouts was known to be an out-of-State location.

The whereabouts of 67.3 percent of deserting fathers was unknown; 16.2 percent of such fathers were in the same county as their families; 5.3 percent were in the same State but not the same county; and 11.2 percent were known to be living in an out-of-State location.

Length of time since most recent opening

For all families combined, the median length of time since the most recent opening for aid to dependent children was 2.1 years. On the average, families with father dead had been receiving aid for the longest period of time—3.8 years. For absent-father families the median length of time since most recent opening was 2 years, and families with father incapacitated had been on the rolls for an average of 1.9 years. The small group of families for which the father was of "other" status had been open, on the average, for 1.5 years.

Age of children

The median age of all children receiving aid was 8.4 years. Three-fourths (76.8 percent) of the children were under 13 years of age. The number of children by age groups was as follows:

Age group	Children	Percent
Total.....	2,142,000	100.0
Under 6.....	700,000	32.7
6 to 12.....	944,000	44.1
13 to 15.....	351,000	16.4
16 or over.....	147,000	6.8

Monthly requirements and income for average ADC family

For the country as a whole, the average aid to dependent children family's total income, including assistance, represented only 87 percent of the family's total needs as determined under State assistance standards. For this average family, including 3.8 recipients (children and needy adult caretaker), the total cost of monthly requirements was determined to be \$143 for all consumption items except medical care paid for by agency payments to suppliers of medical services. For each recipient in the family, the recognized living costs averaged \$38 a month, or \$1.25 a day. Total income available to this average family from all sources (including assistance and income in kind on which a money value had been placed in determining need) amounted to \$124. Of this amount, \$24 was from sources other than assistance, \$100 from money payments under the aid to dependent children program, and 29 cents from supplementary general assistance. Average unmet need—the difference between the total cost of requirements and total income from all sources—was \$19.

Unmet need

For 51.8 percent of all families, total monthly income from all sources including assistance equaled total monthly requirements as determined under State assistance standards. For 48.2 percent of the families (located in 39 States), total income from all sources including assistance was less than total requirements. The average amount of unmet need for these families was nearly \$39. Unmet need amounted to \$50 or more per month for 100,000 families.

Sources of income other than assistance

Of all families, 54.6 percent had no income other than assistance and 45.4 percent had income from one or more other sources. The most frequent sources of income other than assistance were cash earnings of the mother (13.2 percent of all families) and contributions of money from fathers not in the home (11.6 percent of all families). Of the families with father absent in relation to the reason for deprivation of support or care of the children, 17.2 percent received contributions from the absent father. Average monthly amounts of

income from nonassistance sources for all families combined and for families with such other income were as follows:

Sources of nonassistance income	Average monthly amount for—	
	All families	Families with specified types of non-assistance income
Total cash income and/or income in kind to which money value was given...	\$24. 01	\$52. 91
Earnings of:		
Mother.....	6. 41	48. 47
Father, children, or other person(s) in assistance unit.....	2. 38	35. 36
Contributions from father not in home ¹	5. 94	51. 27
OASDI benefits.....	3. 87	64. 40
Other cash income.....	4. 18	40. 54
Income in kind to which money value was given.....	1. 22	13. 76

¹ 97 percent of the fathers making contributions were classified as "absent" in relation to the reason for deprivation of support or care of the children in the family.

Employment status of mother

Of the mothers in these families who were in the home, about one-sixth—103,000—were employed. Two-thirds were working part time and one-third, full time. Cash earnings of employed mothers averaged \$48.47 per month.

Arrangements for care of younger children of working mothers

The families with mothers employed part or full time included 87,000 children under 6 years of age and 165,000 children 6 to 12 years of age. Arrangements for care inside or outside the home while the mother was working had been made for 89 percent of the children under 6 years of age and for 77.8 percent of the children 6 to 12 years old. For both age groups, the predominant arrangement was for care in the child's own home by a person 18 or more years of age.

No arrangement for care had been made for 6.6 percent of the children under 6 years of age and the arrangements for care were unknown to the assistance agency for 4.4 percent. For the children 6 to 12 years old, no arrangement had been made for 17 percent and the arrangements were unknown for 5.2 percent.

Children 6 to 17 years of age regularly attending school

Forty States voluntarily reported information on the school-attendance status of children 6 to 17 years of age in aid to dependent children families. Of the 1,002,000 children in these States who were 6 to 17 years old, 97.8 percent were regularly attending school. For children whose mothers were in the home, the attendance rate was the same, i.e., 97.8 percent, regardless of the employment status of the mothers. For the relatively small group of children 6 to 17 years of age whose mothers were not in the home, the proportion in school was slightly lower—97.6 percent.

[Preliminary: Subject to revision]

U. S. DEPARTMENT OF
HEALTH, EDUCATION, AND WELFARE
SOCIAL SECURITY ADMINISTRATION
BUREAU OF PUBLIC ASSISTANCE
DIVISION OF PROGRAM STATISTICS AND ANALYSIS,
June 17, 1959.

Aid to dependent children: Families and children, by status of father in relation to reason for deprivation of support or care of children, United States, ¹ for a selected month, October–December 1958

Status of father	Number of families	Percent	Number of children	Percent
Total.....	745,288	100.0	2,142,396	100.0
Dead.....	82,092	11.0	219,970	10.3
Incapacitated.....	162,621	21.8	558,443	26.1
Absent.....	487,515	65.4	1,319,165	61.6
Divorced or legally separated.....	100,817	13.5	276,979	12.9
Separated without court decree.....	59,343	8.0	187,174	8.7
Deserting.....	134,467	18.0	397,094	18.5
Not married to mother.....	151,059	20.3	335,830	15.7
Imprisoned.....	33,958	4.6	101,618	4.7
Absent for other reason.....	7,871	1.1	20,470	1.0
Other status ²	13,060	1.8	44,818	2.1

¹ Does not include Vermont and the Virgin Islands for which data were not available; in December 1958, families receiving aid to dependent children numbered 1,162 in Vermont and 222 in the Virgin Islands.

² Includes father in home as caretaker because of death, incapacity, or absence of the mother.

NOTE.—See statement below.

**BIENNIAL REPORTS ON CHARACTERISTICS OF AID TO DEPENDENT CHILDREN
FAMILIES: DIFFERENCE BETWEEN REPORT FOR OCTOBER–DECEMBER 1958 AND
REPORTS FOR EARLY 1956 AND NOVEMBER 1953 IN RESPECT TO DEFINITION OF
FATHER WHOSE STATUS WAS TO BE REPORTED**

The tabulation to which this statement is attached is based on State reports for a selected month in the period October–December 1958 for which the father whose status was to be reported was defined as: (1) the father whose death, incapacity, or absence deprived the children in the assistance unit of parental support or care; or (2) the father who was needed in the home to provide parental care because of the mother's death, incapacity, or absence. In the State reports for early 1956 and November 1953, the father whose status was to be reported was defined as the most recent father in the family; he may or may not have been the father considered in determining eligibility of the children with respect to deprivation of parental support. The earlier definition necessitated separate identification, within the overall classification of families, of stepfathers "not legally responsible" for the support of the children; this was no longer relevant or necessary under the 1958 definition of the father whose status was to be reported.

The 1958 four-way primary classification of families with respect to status of father—dead, incapacitated, absent, and other status—differs from the four-way primary classification used in publishing data for 1956 and 1953 in respect to the subclassifications comprising the "absent" and "other status" groups. In the 1958 classification the "absent" group consists of the former "estranged" group (father divorced or legally separated, separated without court decree, deserting, or not married to mother) plus father "imprisoned" or "absent for other reason." For 1956 and 1953, the subclassifications "imprisoned" and "absent for other reason" were included under "other status."

[Reprinted from Children, Department of Health, Education, and Welfare, Social Security Administration, Children's Bureau]

NEW APPROACHES TO AID TO DEPENDENT CHILDREN

I. THROUGH ADMINISTRATIVE POLICIES

(By Jay L. Roney, Former Director, Bureau of Public Assistance)

How can the Aid to Dependent Children program best fulfill the purpose spelled out in the Social Security Act of "strengthening family life"? The large measure of attention accorded this question at the 1959 forum of the National Conference on Social Welfare held in San Francisco last May reflected the increasing concern among social workers—and the public at large—over the quality of living of the families on the rolls of this Federal-State program of financial assistance to children whose homes have been disrupted by the absence or disability of at least one parent. The articles which lead off this issue are condensations of two of the several papers at the Conference which mirrored this concern.

All over the world, scientists are working on the question, "What shall we find when we reach the moon a year or so from now?" At the same time, social workers are facing a question that affects human beings right now. This is: "What will Johnnie, or Mary, or some other needy child find when he goes home from school this afternoon?"

Those who work in the Aid to Dependent Children program have seen a grim answer in thousands of troubled families and so are deeply concerned with another question, "What can be done about it?"

The State-Federal program, Aid to Dependent Children, is the largest public program that by providing financial aid and other services helps needy children to remain with their families in their own homes and helps their parents to provide a wholesome home life and to use the health, educational, and other community resources needed by the family.

Some people say that receiving an ADC payment undermines the family's drive to become more independent. However, a welfare worker has called ADC a stopgap measure to give brief and scanty help to the fatherless families having the greatest social problems. The majority of families on ADC receive assistance for less than 3 years. It may well be asked whether many families receive aid long enough really to get back on their feet.

Many people blame the program for the rising proportion of parents on the ADC rolls who are divorced, deserted, or unmarried. As more families are protected by old age, survivors, and disability insurance, fewer widows and their children require ADC, and this, naturally, raises the proportion of broken families on the ADC rolls.

We hear, too, that ADC is largely responsible for the Nation's increasing illegitimacy rate. Does anyone believe that a woman in her right mind would have an illegitimate baby just to get an ADC payment of \$20 or \$30 a month? And do we also have to remind the critics of ADC that unmarried people were having children long before the passage of the Social Security Act?

Blaming ADC for the appearance of worldwide social problems among our fatherless families seems about as realistic as blaming an umbrella for a thunderstorm.

Many people accept ADC as an umbrella to protect "worthy" widows, "deserving" children, and other "decent" families. But they do not want to share this ADC umbrella with children whose parents have not enough strength, maturity, or money to maintain a "suitable" home. Perhaps these people are afraid that if we were to help children on the basis of their need rather than their parents' marriage certificates we would have to have a larger, and probably more expensive umbrella.

Every effort must be made to see that the ADC umbrella shields the children whom the program was designed to serve. This calls for recognition that the well-being of the child depends on the welfare of the family, which in turn rests, to a large degree, with the parents. Social changes are putting new pressures on family life, and therefore new approaches must be taken to help parents handle old, as well as new, problems. The better the ADC program is administered, the more effective it will be in strengthening family life.

There are two general avenues of approach that can be taken: (1) legislative changes and (2) changes in administrative policies.

New legislation

There is the possibility of changing legislation so that financial aid and other services might be given to needy families not protected by our present umbrella. New legislation can expand the Federal-State public assistance program to include a fifth category, general assistance, for those not eligible for the existing categories. Or the present four categories might be combined, through legislation, into one over-all program of general assistance. Thus, Federal funds would be available to help the States provide aid to all needy people on the basis of their want alone—without restrictions in regard to age, residence, citizenship, or the parents' marital status or employability. Needy parents and their children could then get help before financial and emotional deprivation had permanently damaged family unity, self-respect, and resilience.

We have also heard proposals, over the years, to expand the present ADC legislation to cover all needy children. Our current ADC laws are sometimes interpreted to mean that the child of an unemployed father is better able to live without eating than is the child of a disabled father—or that it is better for a mother to work outside the home, regardless of the emotional needs of herself and of the child who has already lost his father.

But even new legislation will not solve all the problems of all our needy children.

Administrative policies

Furthermore, hungry children and anxious parents cannot wait for new laws. I believe that through some old and perhaps some new administrative approaches more and improved help might be given

to some needy families now. Administrative policies and procedures can be examined to see whether they really strengthen family life. Do they respect the parents' rights to make the decisions that affect the family's daily life? Or do they perhaps infringe on the parents' rights and even hinder the family's welfare and development? The quality of administration is often the decisive factor in whether public assistance helps or hinders a person in whatever struggle he is making toward independence and a better life.

In planning for a new approach to ADC, the responsible authorities in some States have been evaluating their public welfare regulations. Some have found that their laws are much less restrictive than their policies. However, their laws and their policies may be more rigid than Federal law.

It is necessary for all States to evaluate their welfare administration in the light of present day knowledge about effective ways of helping people meet social and economic pressures. Public assistance agencies are socially, as well as financially, accountable to the Nation for the families served. Yet there are administrative policies in some States which are more destructive than constructive. For example, many families require ADC to tide them over a temporary crisis, but in some States a family cannot get aid until the father has been away 6 months, or unless the mother is already working to help support her children.

The problem of desertion calls for a complete relook at ways of dealing with this manifestation of marital conflict. What has been the result of court actions to force the father's support, or to make the parents come together against their will? What effect do routine court actions have on children? May not court procedures, unwillingly undertaken, add to the family's feelings of disgrace and undermine the chances for later reconciliation? Furthermore, when enforcement officers make home visits at 4 o'clock in the morning, would it be any wonder if the children had nightmares for months afterward?

Experience shows that voluntary arrangements with the father for his support of the family are generally more lasting and more constructive than court procedures. When making policies in regard to desertion, the State agency should see that every action is based on two motives: to help the father and the mother find ways in which they can best carry their parental roles; and to minimize the scarring experience on the children.

This demands some real consideration of the father's role in the family—whether or not he is in the home. Is his role being strengthened or weakened by the agency's administration? Helen Perlman has said: “* * * even when the father is for the most part out of the home, the child's life is potently affected by him. A mother's love or excessive indulgence, her hate or subtle rejection of her child, are heavily affected by what her husband is to her as husband and to his child as father * * *.”¹

Work and money

What approach should the public assistance agency take toward the question of whether or not mothers should go to work? True, in our present society more and more women are working outside the home. But what about their families? I know of one mother who maintained she was not neglecting her 3-year-old son when she gave him money

¹ Perlman, Helen Harris: Social casework today. Public Welfare, April 1959.

to buy his supper in a restaurant; and of another who, when told she must work, said she believed that her children should be allowed to have at least one parent at home.

Good administrators recognize the multiple strain on a mother who also has to be father, wage earner, and homemaker. Moreover, many mothers may not earn enough to pay someone to give their children proper care. Here again a State's public assistance policy should be directed toward the overall goal of strengthening family life.

Money, and its meaning to ADC recipients, is also an extremely important administrative consideration. Families on the ADC rolls are already financially disadvantaged. But not only money is essential in our economy, its possession and use have emotional meaning to the needy family. For example, if a parent uses her ADC check to buy a refrigerator, she may be buying not only better health for her family, but also self-respect, prestige, and community status. Good administration requires understanding of the role of money in the lives of individual clients.

Illegitimacy

Illegitimacy is a nationwide problem not confined to the ADC rolls. But the large proportion of ADC cases involving illegitimacy provides the chief weapon for criticizing the entire program. Unmarried fathers are those least likely to support their children, so it is only logical that the families of many of them require public aid.

I certainly do not condone illegitimacy, but I cannot agree with some of the suggestions we hear on the ways to treat this social problem. For example, in several States compulsory sterilization has recently been proposed as a curb to illegitimacy. Although the law would apply to the State's entire population, mothers on ADC, being most in the public eye, could easily be its chief targets.

Some critics of ADC would aid a mother with one illegitimate child, but would deny help to younger brothers and sisters born out of wedlock. This is certainly a sure way to split a family into pieces.

Other critics would make all unmarried mothers and their children ineligible for ADC and let them shift for themselves at a time when they most need help.

There are many known factors contributing to illegitimacy—unsatisfactory home life, overcrowded housing, cultural patterns, the anonymity of city living, financial conditions, military service, limited education, emotional deprivation, and rejection. These conditions appear again and again in ADC case histories. All society must help combat them.

Like alcoholism, unmarried parenthood does not stem from a single cause, but it has been proved that skilled social casework can help many unmarried parents find more satisfying and more acceptable ways to meet their emotional needs. Public welfare administration has a real responsibility to make casework available to emotionally deprived people including the unmarried mothers who apply for ADC.

Administrative policies should also encourage unmarried mothers to come to the public welfare agency early enough to get real help. The agency's policy on confidentiality should be well known in the community. Skilled consultation should be available to the mother, as well as medical care and financial aid for as long as she and her child require them and are eligible for them. Furthermore, the agency

should make sure that children born out of wedlock get as much help as other children—never less.

Information needed

Effective administration is based on knowledge of the families who require ADC and of the factors that cause dependency.

Through such knowledge public agencies can work to prevent further family breakdown. In Washington, D.C., for example, there is a public child caring institution (Junior Village) for the short-time placement of dependent children. This agency made a thorough study of its clients on a selected "census day." The study uncovered the permanent scarcity of jobs in the community and the lack of vocational training to prepare people to earn adequate wages anywhere.² The agency is now working with the community to give people more opportunity to be financially independent.

Public welfare agencies need more information about the education of the families on their ADC rolls. Does the parent know enough—even about arithmetic and sanitation—to buy sufficient food and to keep a clean home? Does the mother know the basic elements of child care? Some welfare agencies are arranging for ADC parents to attend classes in family life. The proper administrative approach can make this type of education welcome to many families.

Now that automation is increasingly threatening the jobs of many industrial workers, a public welfare agency needs to find out whether a father or mother on the ADC rolls can learn the skills that will bring in steady paychecks or make the parent self-supporting when the children are over 18 and the family is no longer eligible to receive ADC; and whether the children are being educationally equipped and trained for future employment. Such an administrative approach aids in the prevention of future dependency.

Public welfare agencies also need to understand the cultural factors that may be involved in family breakdown. For example, less than a hundred years ago Negroes in some States were not allowed to marry, but they were encouraged to have children. Is it strange then that in ADC the illegitimacy rate is higher among Negro families than among white families? Let us remember that all culture is learned. If we hope to change patterns that are not acceptable to the larger society, we must give people broader opportunities to learn and to become part of the general culture in our communities.

But let me point out how broader information can give perspective to statistics. A recent study of illegitimacy in North Carolina showed that while 9.3 percent of white illegitimate children in the State were on the ADC rolls, only 8.8 percent of nonwhite illegitimate children were on ADC. Of all illegitimate children in the State, only 9 percent were receiving public assistance.³ (See page 195.) Thus this State has one answer for the critics who say that ADC fosters illegitimacy.

Social services

Administrative planning for providing the social services especially needed in ADC should be strengthened. In most cases, the children are with the mother; she must see not only to her children's needs, but also to her own needs for companionship, creative activity, and recrea-

² Health and Welfare Council Committee on Junior Village: Informal reports and action notes. Washington, D.C., 1958.

³ North Carolina Conference for Social Service, Committee on Children and Youth: The problem of births out of wedlock; a preliminary report. Raleigh, N.C., April 1959.

tion. If the family is large, she must meet infinite demands on her time, strength, and skill in budgeting.

Most parents on ADC are doing their very best to help their children. But even so, many cannot do the job alone. Through wise administration, the agency can steadily progress in offering services to meet individual needs. I have already mentioned group education. As another approach to strengthening family life, the agency might arrange to provide a homemaker to teach an inexperienced mother how to manage her home and her budget. A few weeks of homemaker service, made available at the right time and in the right way, may bring permanent improvement in the family's welfare. And what do you suppose might happen if, as a standard practice, agencies were to use homemaker service to help educate a parent before a decision must be made on removing the children from the home?

The State public assistance agency in Florida has used an interesting and successful technique in planning for more effective services. The agency gave the State welfare board a list of all the services that were needed by its elderly clients. It also listed the limited services that could be provided by its current staff, under existing financing. Believing that the old people should have all the services on the list, the board assumed the responsibility of obtaining additional money from the State legislature to hire additional staff and to train workers to provide more services. Boards and legislatures cannot carry out their responsibilities unless the agency gives them the pertinent facts. There is need for demonstrations and research on the effectiveness of various types of services and on their costs in relation to the new strength and independence that they develop in ADC families.

Everybody knows that social workers are most effective when their caseloads are of manageable size. However, agencies should reexamine not only the size of the caseloads their workers are expected to handle, but also the complicated tasks assigned to them. A routine procedure of eligibility determination is not likely to foster a warm feeling between worker and client, nor the mutual confidence necessary for them to work together on other problems and needs. Both the agency and its staff should see how they regard their role as dispensers of financial aid. Moreover, administrative policy should be clear about the worker's responsibility for helping families with their environmental problems, as well as with their financial and emotional difficulties. Effectiveness of service demands visits and other contacts more often than once a year.

Some agencies have been making administrative news by calling on doctors, lawyers, social workers, and other professionals to provide consultation to agency and staff regarding ADC problems. In drawing on community experts, the agency is giving its clients the benefits of broad professional thinking. Moreover, the outside experts can help the agency use other community resources for building strong family life.

In its contacts with a needy family, the public welfare agency has many ways to serve as the family's lifeline between its needs, its conflicts, and its sources of help. For example, suppose a disabled father on the ADC roll is so crippled that he thinks he is a family burden. The public assistance worker tells him about rehabilitative treatment and persuades him to apply for it. She keeps his courage up during the tedious treatment. If little Jimmie reacts badly to his father's

absence, the worker may help him by arranging for him to join a Boy Scout troop. When the father is ready to look for a job, the worker sees to it that he has help in his search for possible openings. And if he feels he lacks family understanding with his worries, who but the welfare worker helps his family to understand?

Administration is responsible for helping agency staff carry this continuing contact. The provision of "individualized" services will necessitate additional training, smaller caseloads, and more constant supervision. Supervisors and workers alike may need more time to renew their own emotional strengths, resources, and skills. And it is up to administration to see that they get it.

Most States for years have been providing some of their clients with a variety of services. But since the 1956 amendments to the Social Security Act directed the provision of services toward clearly stated program goals—strengthening family life and helping families attain the maximum self-support "consistent with the maintenance of continuing parental care and protection"—and specifically placed responsibility on agency administration, a number of States have moved faster in developing provisions for services.⁴

The Bureau of Public Assistance has been consulting with the States on their administrative planning in this regard. It has found that progress can be hampered by sketchy or obscure policy statements. In some places policy guides seem to tell staff, "Here are some services you might provide if you have the time and ability and interest." In others, the guides are both clear and realistic.

Size of payments

But will any of these administrative approaches be worth anything unless they are backed up by more adequate ADC payments? Are we, as a Nation, realistic when we expect \$28.68 a month—the average ADC payment for the Nation in March 1959—to enable a child to grow into a healthy adult?

Actually, the families receiving ADC have always been the lowest on the scale of financial assistance. In 1950, an ADC recipient received about half as much as a needy old person. In March 1959—despite increases in all assistance payments—the average ADC payment per recipient, \$28.68, was considerably less than half the old-age assistance payment of \$64.34. And in 17 States the average ADC payment per recipient was less than \$24 a month—the amount specified in the Department of Agriculture's low-cost food plan (January 1959 prices) as needed for food alone by each individual in a family of four. Thus, in these States, the average ADC payment is not enough to cover a child's minimum food needs, much less his requirements for clothing, housing, medical care, and other necessities.

And what about medical care? Disease and disability strike especially hard on people who are financially and emotionally strained. Preventive medical care is essential to our children's future well-being. Early diagnosis and medical treatment can help parents avoid the prolonged illnesses that can break up a home. Today, medical care for the needy aged accounts for about two-thirds of all vendor payments for medical care in public assistance. The aged need still more care, but until the public assistance program provides families on the ADC rolls with the medical protection they need, can we honestly say that it is strengthening family life?

⁴ Social Security Act, title IV, sec. 401, as amended 1956.

In my opinion, the American people sincerely want every child to have an adequate opportunity for normal development. The public just does not know, or does not want to think, about these pitiful ADC payments. Public assistance agencies must take the lead in interpreting the needs of families who apply for ADC to the public and its lawmakers.

The principles

In examining administrative approaches to ADC, five basic factors should be stressed, understood, and clarified by administrators for themselves and all other staff. These are:

1. The fundamental principles and goals of ADC and their applicability to every family eligible for aid.
2. The relationship of these policies one to another, and to the agency's everyday practices.
3. The necessity of spotting discrepancies and of revising and clarifying policies to carry out these principles.
4. The availability of information about clients that will help staff use these policies to strengthen the welfare of every member of every family in the program.
5. The obligation of participating with the community on the solution of immediate need, the elimination of trouble-breeding areas, the provision of appropriate services, and the prevention of further dependency.

Briefly, I think that the most effective administrative approaches to current problems in ADC will be found in testing our planning against one question: "Will this action, policy, or procedure do what we want it to do—will it really strengthen family life?"

APPENDIX F

MEDICAL CARE UNDER PUBLIC ASSISTANCE ¹

Bureau of Public Assistance, Division of Program Statistics and Analysis, December 3, 1958

Public assistance provides for the basic maintenance of persons without income or resources or with too little income to meet their needs as determined by State and local welfare agencies. In August 1958 about 5.6 million persons received assistance under the four federally aided programs. An additional 1 million persons received assistance under general assistance programs financed entirely from State and/or local funds. A large proportion of the public assistance caseload is made up of persons with unusually heavy medical needs resulting from disability, chronic illness, or the infirmities of old age. Some are forced to seek assistance primarily because of the need for medical care.

Because the demands for medical care have been very great, a serious problem of financing has arisen in many States. Public assistance agencies must decide how much money from a limited appropriation can be spent for medical care. The agency must keep in mind that its primary responsibility is to provide money for basic main-

¹ Prepared in October 1958 as background information for a report on the study of hospitalization insurance for OASDI beneficiaries requested of Department of HEW by House Ways and Means Committee.

tenance of people—food, clothing, shelter, and the like. Medical care can appropriately be included as a public assistance expense if adequate provision is made for the basic elements of living. On the other hand, some care must be provided if no other program can meet emergent medical needs, even when provision for the basic items is inadequate. Under the latter circumstances, caution must be exercised in maintaining a proper balance between expenditures for basic maintenance and for medical care.

The decision as to the content and amount of medical care to be provided under the public assistance programs rests with the State agency. Not only must the agency consider the proper balance with respect to the level of payment for the basic items of assistance, but it must also consider the needs of the people it serves. For example, nursing home care, so essential under the OAA and APTD programs, is not nearly so important under the ADC program. Because of these and other factors, there are wide differences among States with respect to the types and quantities of medical care available under the public assistance programs.

The determination of what constitutes eligibility for medical care under the public assistance programs is made by the States. This determination is usually made by considering property holdings, by comparing all available income with the amount the agency has determined as being required to purchase the items included in the standard of living established for the program, and by considering whether the needed medical service is available to the individual from some other source. Most recipients of medical care under the public assistance programs also receive assistance to meet their maintenance needs, but some receive assistance only for their medical care.

Payments for medical care available to recipients of public assistance are made in two ways: (1) directly to the suppliers of such care (vendor payments); and (2) by including amounts for medical care in the requirements on which money payments to recipients are based to enable the recipients to purchase their own care (money payments). Under the vendor payment plan of operation some States have established pooled funds to cover the cost of medical care provided assistance recipients. The State pays into the fund a monthly amount per recipient (or per case) representing the estimated average cost of medical care of the types the State will make available. The pooled fund is then drawn upon to pay medical bills incurred for services provided the covered group of recipients. As of June 1958, 17 States used this method of making vendor payments for medical care under one or more of the special types of public assistance. A few other States had contractual agreements with health departments or other professional groups, or with Blue Cross-Blue Shield agencies, for providing medical care on a cost-per-recipient basis.

A substantial amount of information regarding the volume of vendor payments for medical care is available under the periodic reporting plan of the Bureau of Public Assistance. Periodic reporting of information on the amount of money made available to recipients to enable them to purchase medical care and on the types of care covered by State plan provisions is not feasible. Consequently, the picture of medical care under the public assistance programs is usually limited as of a specific point in time. The following information is based on a combination of data from periodic reports and special

studies. The sections through that on nursing-convalescent home care relate only to the special types of public assistance. More limited information relating to vendor payments for medical care under general assistance is discussed separately in the final section.

Types of medical care covered by State public assistance plans

As of January 1958, all but 2 of the 53 States provided some medical care² under one or more of their programs for the special types of public assistance. The type of care covered most frequently under plan provisions for the three adult programs—OAA, AB, and APTD—was nursing-convalescent home care.³ Among the other types of care, those covered most frequently under the adult programs were drugs, hospitalization, and practitioners' services. In OAA, 49 of the 53 States had specific provisions for nursing-convalescent home care, 39 for drugs, and 35 each for hospitalization and practitioners' services. Of the 48 States administering APTD programs, 45 had specific provisions for nursing-convalescent home care, 37 for drugs, 33 for hospitalization, and 31 for practitioners' services. For the adult programs, the types of care covered by the smallest numbers of States were nursing services, except for such services provided in hospitals and nursing or convalescent homes, and clinic services. For ADC, the pattern of items of care covered was essentially the same as for the adult programs.

Vendor payments for medical care

Since the enactment of the 1950 amendments, which made available Federal matching for vendor payments for medical care, the growth of such payments has been rapid. In the fiscal year 1952, the first full year of operation under those amendments, vendor payments for medical care under the four special types of public assistance amounted to \$70.5 million. During the fiscal year ended June 30, 1958, such payments totaled \$236.1 million. The amount spent under each of the programs was as follows: OAA, \$159.1 million; AB, \$5.1 million; APTD, \$28.6 million; and ADC, \$43.2 million. These payments constituted the following proportions of total assistance payments: OAA, 8.8 percent; AB, 6 percent; APTD, 13.5 percent; and ADC, 5.3 percent.

The reporting of amounts of vendor payments for specified types of services is on a voluntary basis. Some States are able to report a complete distribution of such payments by type of service, while other States report only total payments or give only a partial distribution. For the fiscal year ended June 30, 1958, vendor payments in States reporting a complete distribution by type of service totaled \$199 million and represented 89.6 percent of total vendor payments under the four types of public assistance.⁴

The types of services covered by the distributions were as follows: Practitioners' services, hospitalization, drugs and supplies, nursing and

² Types of care specified on the report form were: practitioners' services, hospitalization, drugs, nursing-convalescent home care, dental services, nursing services, clinic services, prosthetic appliances, ambulance (or other transportation), laboratory and X-ray services, and other. Medicine chest or other flat allowances for health care, attendant care and housekeeping services, and special diets were not considered medical care. Also excluded were remedial eye care provided under a special program for that purpose, medical examinations for determining eligibility for assistance, and transportation, for which payments were made as an administrative cost, to enable recipients to obtain medical care.

³ Nursing and convalescent homes were defined as homes that provide some medical services for recipients by licensed practitioners or practical nurses.

⁴ For States operating pooled funds, the distributions represent payments out of the pooled fund for the specified types of service.

convalescent home care, and other. For the four special types of public assistance, the amounts were as follows: Practitioners' services, \$22.9 million; hospitalization, \$83.9 million; drugs and supplies, \$28.2 million; nursing and convalescent home care, \$41 million; and other, \$23.1 million.

Vendor payments under the OAA program constituted about two-thirds of all vendor payments under the four special types of public assistance. Hospitalization was the type of service for which the largest expenditure was made in OAA; that expenditure, \$53.9 million, was 39.5 percent of total vendor payments under the program. The second largest proportion of the vendor payments, 26.3 percent, was for nursing and convalescent home care. The proportions of total vendor payments for drugs and supplies and for practitioners' services were 14.7, and 10.8 percent, respectively. In the other adult programs, AB and APTD, expenditures for hospitalization also ranked first, and those for nursing and convalescent home care ranked second. In APTD, however, the proportion of total vendor payments that was spent for hospitalization was higher than in OAA or AB. For ADC the expenditure pattern was, understandably, somewhat different. Although the proportion spent for hospitalization also ranked first, 44.1 percent, the second highest proportion was for practitioners' services, 19.3 percent. A relatively large proportion of vendor payments in the ADC program fell under "other" and undoubtedly reflected the cost of dental care for children (dental care was reported as "other" rather than as practitioners' services).

Money payments for medical care

The most comprehensive information relating to amounts for medical care included in requirements on which money payments are based is from a special study, on a voluntary basis, for a selected month January-March 1957. For the 25 States⁵ reporting information of this type for one or more of the programs, the proportion of cases having an amount for medical care included in requirements varied widely, both among programs and among States. The APTD program had the highest proportion, 29.9 percent, of money payment cases for which a medical need was included in requirements. For the other programs the percents were: OAA, 19.5; AB, 8.9; and ADC, 7.2. In OAA, the proportion of money payment recipients having an amount for medical care included in requirements ranged among the States from none to 72.2 percent. In APTD the range was approximately the same.

In States having maximums or other limitations on payments the inclusion of an amount for medical care in requirements may result in an increase in payment to the recipient of the full amount of medical care, only a part of the amount, or no increase at all; the change depends upon the interrelationship of the amounts of basic needs, medical needs, income (if any), and the maximum or other limitation on the payment. In OAA, money payments to 92.9 percent of all recipients with medical care in requirements were increased as a result of the inclusion of the medical care. The increase in payments was 80.9 percent of the amount for medical care included in requirements.

⁵ The number of States reporting information, by program, was as follows: OAA, 24; AB, 18; APTD, 19; and ADC, 21.

For all recipients whose payments were increased, the average increase in the money payment was \$24.54. The increase for medical care averaged \$4.40 for all recipients with money payments.

In APTD, money payments to 89.5 percent of all recipients with medical care in requirements were increased as a result of the inclusion of the medical care. For those recipients whose payments were increased, the average amount of the increase was \$20.19. In AB the proportion of cases affected, 92 percent, was approximately the same as in the other adult programs, but the effect on the average payment—\$28.71—was greater.

Converted to an annual basis, the increase in money payments in the reporting States that resulted from the inclusion of amounts for medical care would total more than \$73 million. The total increase in money payments for the country as a whole that resulted from the inclusion of medical needs in requirements probably amounted to about \$100 million a year.

In the instances in which payments were increased by the full amount of the medical needs the recipients presumably were able to meet the costs of their medical care and still maintain the standard of living established for the assistance program in their State. In those instances in which the payments were not increased by the full amount of the medical needs the recipients could meet the costs of their medical care only by reducing their expenditures for food, clothing, and other items below the amounts allowed for such items in the assistance standards of requirements.

Nursing-convalescent home care

One of the most expensive types of medical care for assistance recipients is nursing-convalescent home care. This type of care is particularly important in the APTD program and is becoming increasingly more important in the OAA program as the average age of recipients increases. In the 20 States reporting information for a selected month January–March 1957, 7.2 percent of all APTD recipients received nursing-convalescent home care; for the 24 States reporting information for the OAA program, 5.6 percent of the recipients received such care. In the APTD program the proportion of recipients receiving nursing-convalescent home care ranged to a high of 27.1 percent in one State; in OAA the highest State proportion was 17.2 percent.

Because of the high cost of nursing and convalescent home care, payments to and in behalf of cases receiving such care constituted a much higher proportion of total assistance payments than the cases receiving the care did of all assistance cases. In APTD, payments to and in behalf of cases receiving nursing or convalescent home care amounted to 14.2 percent of all assistance payments; in OAA the proportion was 9.7 percent. For the reporting States, total monthly assistance payments to and in behalf of nursing-convalescent home cases averaged \$113.73 in OAA and \$128.17 in APTD. About 65 percent of the OAA payments were money payments to recipients and 35 percent were vendor payments directly to the suppliers of the services.

Vendor payments for medical care under general assistance

General assistance is financed entirely from State and/or local funds. In some States, hundreds of local governmental agencies administer

the program. There are wide differences among States, and even among local jurisdictions within a State, with respect to the types and amounts of assistance provided under the program. Since all reports received by the Bureau of Public Assistance are prepared by State agencies administering the special types of public assistance (which may not have any official responsibility with respect to agencies administering general assistance), and since reporting is on a voluntary basis, only limited information is available regarding medical care provided through general assistance.

During the fiscal year ended June 30, 1958, vendor payments under State and local general assistance programs totaled \$83.8 million. These payments constituted 24.7 percent of all general assistance reported. Relatively few States are able to report a complete distribution of total vendor medical payments by type of service. Total vendor payments for this group of States amounted to only \$15.4 million—about one-fifth of all vendor payments under general assistance programs. By type of service, the amounts were distributed as follows: practitioners' services, \$1.8 million; hospitalization, \$8.7 million; drugs and supplies, \$1.6 million; nursing and convalescent home care, \$0.9 million; and other \$2.4 million.

While all vendor payments for medical care under general assistance were made from State and/or local funds without Federal participation, an unknown, though substantial, amount was spent in behalf of recipients of the four special types of public assistance. (In the fiscal year 1958, vendor payments for medical care totaling \$9.3 million were identified as being spent in behalf of recipients of the four special types of public assistance; vendor payments totaling \$29.7 million were not allocated among programs.)

No information is available regarding the extent of money payments to recipients of general assistance to enable them to purchase medical care. The volume of such payments, however, is presumed to be relatively slight.

APPENDIX G

COMPILATIONS OF RESIDENCE REQUIREMENTS FROM CHARACTERISTICS OF STATE PUBLIC ASSISTANCE PLANS IN EFFECT OCTOBER 1, 1957

The compilations presented below were drawn from the "Characteristics of State Public Assistance Plans," 1957 edition (Public Assistance Rept. No. 33). This publication is revised at periodic intervals at which time the States are requested to prepare succinct statements of the current provisions of their official plans on selected items for each of the programs which they administer. Also attached is a discussion of changes between 1941-57.

There are five jurisdictions which do not have a durational residence requirement in any public assistance program: Hawaii, New York, Puerto Rico, Rhode Island, and the Virgin Islands. In the program of old-age assistance, the remaining States are evenly divided between (1) requiring 1 year of residence immediately preceding the date of application, and (2) requiring from 3 to 5 years residence out of the 9 years preceding application, including the final 1 year immediately preceding the date of application (24 States in each group).

In aid to the blind, the figures are almost the same. Seven jurisdictions have no durational residence requirement, 24 require 1 year, and 22 require from 3 to 5 years out of the 9 years preceding application, including the last year immediately preceding it.

In aid to the permanently and totally disabled, 7 jurisdictions have no durational residence requirement, 30 require 1 year immediately preceding the application, and 11 have requirements of from 3 to 5 years within the 9 years preceding the application, including the last year immediately preceding the application date. (Five States do not have this program.)

In aid to dependent children, 8 jurisdictions have no durational residence requirement, and 45 have provisions similar in wording to that of the Federal maximum limitation which is that no provision may be more restrictive than 1 year immediately preceding the application, with special provision for the child under 1 year of age.

RESIDENCE AS AN ELIGIBILITY FACTOR IN OLD-AGE ASSISTANCE

Federal requirement.—The State plan may not include any residence requirement more restrictive than the maximum in the act for old-age-assistance: 5 years in the last 9 years and 1 year immediately preceding application.

No durational requirement on residence (5 States):

Hawaii	Puerto Rico	Virgin Islands
New York	Rhode Island	

One year immediately preceding application (24 States):

Alabama	Maryland ¹	South Carolina
Arkansas	Minnesota ³	South Dakota ¹
Connecticut ¹	Mississippi	Tennessee
Delaware ¹	New Jersey ¹	Utah
District of Columbia	New Mexico ²	Virginia
Georgia	North Carolina	West Virginia
Idaho ¹	North Dakota ³	Wisconsin ³
Illinois ²	Pennsylvania ¹	Wyoming

Identical or similar to wording of Federal act (24 States):

Alaska	Kentucky (3 of 7)	Nevada
Arizona	Louisiana (3 of 9)	New Hampshire ¹
California	Maine ¹	Ohio
Colorado ²	Massachusetts (3 of 9)	Oklahoma
Florida	Michigan ¹	Oregon
Indiana	Missouri	Texas
Iowa ²	Montana	Vermont ²
Kansas ²	Nebraska ²	Washington

RESIDENCE AS AN ELIGIBILITY FACTOR IN AID TO THE BLIND

Federal requirement.—The State plan may not include any residence requirement more restrictive than the maximums in the act for aid to the blind: 5 years in the last 9 years and 1 year immediately preceding application.

See footnotes, p. 116.

No durational residence requirement (7 States):

Connecticut	New York	Virgin Islands
Hawaii	Puerto Rico	
Mississippi	Rhode Island	

One year immediately preceding application (24 States):

Alabama	Minnesota ⁴	South Carolina ⁴
Arkansas ⁴	Nebraska	South Dakota ⁵
Delaware ^{4 5}	New Hampshire ⁵	Tennessee
Georgia	New Jersey ⁵	Utah
Idaho ⁵	New Mexico ^{4 6}	Virginia
Illinois ^{4 6}	North Carolina	West Virginia
Maryland ^{4 5}	North Dakota	Wisconsin ^{4 5}
Massachusetts ⁴	Pennsylvania ⁵	Wyoming

Identical or similar to wording of Federal act (22 States):

Alaska ⁴	Kansas ⁶	Nevada (2 of 9) ⁴
Arizona ⁴	Kentucky (3 of 7)	Ohio ⁴
California ⁴	Louisiana (3 of 9) ⁴	Oklahoma ⁴
Colorado ⁴	Maine ⁵	Oregon ⁷
District of Columbia ⁴	Michigan ^{4 5}	Texas
Florida ⁷	Missouri	Vermont ^{4 6}
Indiana ⁴	Montana ⁷	Washington (5 of 10) ⁴
Iowa ^{4 6}		

RESIDENCE AS AN ELIGIBILITY FACTOR IN AID TO THE PERMANENTLY AND TOTALLY DISABLED

Federal requirement.—The State plan may not include any residence requirement more restrictive than the maximum in the act for aid to the permanently and totally disabled: 5 years in the last 9 and 1 year immediately preceding the application.

No durational residence requirement (7 States):

Hawaii	Puerto Rico	Virgin Islands
New York	Rhode Island	
North Carolina	South Carolina	

One year immediately preceding application (30 States):

Alabama	Massachusetts	Oregon
Arkansas	Michigan ⁹	Pennsylvania ⁸
Colorado	Minnesota	South Dakota ⁹
Connecticut ⁸	Mississippi	Tennessee
Delaware ⁸	Missouri	Utah
District of Columbia	Montana	Virginia
Georgia	New Jersey ⁸	Washington
Idaho	New Mexico ⁹	West Virginia
Illinois	North Dakota	Wisconsin
Maryland	Ohio	Wyoming

Identical or similar to wording of Federal act (11 States):

California	Louisiana (3 of 9)	Oklahoma
Florida	Maine ⁸	Texas
Kansas ⁹	Nebraska	Vermont ⁹
Kentucky (3 of 7)	New Hampshire ⁸	

No program of aid to the permanently and totally disabled on October 1, 1957 (5 States):

Alaska	Indiana	Nevada
Arizona	Iowa	

RESIDENCE AS AN ELIGIBILITY FACTOR IN AID TO DEPENDENT CHILDREN

Federal requirement.—The State plan may not include any residence requirement more restrictive than the maximums in the act for aid to dependent children: 1 year immediately preceding the application or born within 1 year immediately preceding application if the parent or other relative with whom the child is living has resided in the State for 1 year immediately preceding the birth of the child.

No durational residence requirement (8 States):

Alaska ¹⁰	Mississippi	Rhode Island
Georgia	New York	Virgin Islands
Hawaii ¹⁰	Puerto Rico	

Identical or similar to wording of Federal act (45 States, all others):

Alabama ¹⁰	Louisiana ¹⁰	Ohio
Arizona	Maine ¹¹	Oklahoma
Arkansas	Maryland ¹¹	Oregon ¹⁰
California ¹⁰	Massachusetts	Pennsylvania ¹¹
Colorado	Michigan	South Carolina
Connecticut	Minnesota ¹¹	South Dakota ¹¹
Delaware ¹¹	Missouri	Tennessee
District of Columbia ¹⁰	Montana ¹⁰	Texas
Florida	Nebraska	Utah
Idaho ^{10 11}	Nevada ¹⁰	Vermont ¹²
Illinois	New Hampshire ¹¹	Virginia
Indiana	New Jersey	Washington ¹⁰
Iowa	New Mexico ¹²	West Virginia
Kansas ¹⁰	North Carolina	Wisconsin ¹⁰
Kentucky	North Dakota ¹⁰	Wyoming ¹²

¹ Reciprocal agreements may be made with other States to waive or alter residence requirements for nonresident applicants who are otherwise eligible for public assistance.

² These States have special modifications; refer to published document, "Characteristics of State Public Assistance Plans," 1957.

³ For nonresident applicant who is otherwise eligible, residence requirement is based upon the corresponding provision of the State in which applicant has residence.

⁴ Special provision to reduce or waive residence requirement when blindness developed while applicant was a resident of the State (23 States).

⁵ Reciprocal agreements may be made with other States to waive or alter requirement for nonresident applicant who is otherwise eligible.

⁶ Other modification of residence requirement; refer to published document, "Characteristics of State Public Assistance Plans," 1957.

⁷ Special provisions reducing requirement for blind minors.

⁸ Reciprocal agreements may be made with other States to waive or alter residence requirement for nonresident applicant who is otherwise eligible.

⁹ Special modification of residence requirement; see published document, "Characteristics of State Public Assistance Plans," 1957.

¹⁰ Payments for assistance may be made in behalf of an unborn child.

¹¹ Reciprocal arrangements or agreements may be made with other States to waive or alter residence requirement for nonresident applicant who is otherwise eligible for public assistance.

¹² Special modification of residence requirement; see published document, "Characteristics of State Public Assistance Plans," 1957.

TRENDS IN RESIDENCE REQUIREMENTS IN STATE PUBLIC ASSISTANCE
PLANS: 1941-57

This report shows trends in the States in liberalizing or eliminating residence requirements in public assistance. A tabulation of the requirements for residence was made from the "Characteristics of State Public Assistance Plans" for the years 1941, 1950, 1953, 1956, and 1957.

While the requirements for the 5 different years were reviewed, the significant factors can be illustrated by limiting the discussion and analysis to 1941, 1950, and 1957 for old-age assistance, aid to the blind, and aid to dependent children. For aid to the permanently and totally disabled, the years 1953, 1956, and 1957 were used.

Old-age assistance

There was substantial liberalization of residence requirements between 1941 and 1950; there was very little movement between 1950 and 1957.

In 1941 there were 40 States with residence requirements at the Federal maximum, 7 States with a 1-year requirement, no States with no residence requirements, 1 State with reciprocal agreement authority, and 3 States with other residence requirements.

In 1950 the number of States with residence requirements at the Federal maximum was reduced from 40 to 21; the number of States with 1-year residence requirement was increased from 7 to 22, 4 States had no residence requirements, and 9 States had authority for reciprocal agreements; 4 States had other requirements.

In 1957 there were 19 States with residence at the Federal maximum, only 2 States fewer than in 1950; and 5 States with requirements slightly below the Federal maximum. Twenty-four States had a residence requirement of 1 year, two more than in 1950. Five States had no residence requirements, an increase of one from 1950. Thirteen States had authority for reciprocal agreements, an increase of four from 1950.

Between 1941 and 1950 there was no substantial change in 27 States, 23 States liberalized their residence requirements, and 1 State increased its requirements.

Between 1950 and 1957, in 46 States there was no change; this included 1 State which reduced and then increased its residence requirements again, and 1 State which increased and then reduced its residence requirement again. Three States liberalized their residence requirements, and two States increased their residence requirements.

With regard to reciprocal agreements, the information above may not be entirely accurate, depending on whether individual States included authority to enter into reciprocal agreements in identifying their residence requirements for Characteristics entry. It appears, however, that the sum total would not exceed 18 (rather than 13); thus, it is quite clear that the use of reciprocal agreements as a remedy to residence requirements would appear to have little effect in the national scene.

Aid to the blind

Aid to the blind seems to have followed the same trend as old-age assistance, with one major difference. As in old-age assistance, there was substantial liberalization between 1941 and 1950, with very little movement between 1950 and 1957. The one major difference in aid to the blind is the provision found in many States for disregarding the durational residence requirement for persons who became blind while residents of the States.

In 1941 there were 33 States with the Federal maximum; of these, 13 States had an alternate provision for persons becoming blind while residents of the States. Seven States had a 1-year provision; two of these had an alternate provision. One State had no residence requirement. Three States had other provisions.

In 1950 the number of States with the Federal maximum was reduced from 33 to 14, of which 9 had an alternate provision. There was an increase from 7 to 22 States with a 1-year provision, of which 9 had an alternate provision. There was an increase from one to seven States with no residence requirements; and there were four with other requirements.

In 1957 the picture was practically unchanged: 16 States were at the Federal maximum and 6 slightly under the maximum. Of the 6 States with new plans for aid to the blind since 1950, 5 of them provided a 1-year residence requirement in their plan, making a total of 24 States with 1-year requirement. There continued to be seven States with no residence requirements. In 1957 there appeared to be 14 States with authority for reciprocal agreements.

Aid to dependent children

In 1957 eight States had no residence requirements in aid to dependent children: Alaska, Hawaii, Puerto Rico, Virgin Islands, Mississippi, New York, Rhode Island, and Georgia.

Four States which previously had no residence requirements in aid to dependent children imposed a residence requirement: Tennessee, Wisconsin, Connecticut, and Kentucky.

With regard to reciprocal agreements, in 1950, there were four States; 1953, five States; 1956, eight States; and 1957, nine States.

Aid to the permanently and totally disabled

Using the figures for 1953, 1956, and 1957, the significant factor about aid to the permanently and totally disabled is the preponderance of a 1-year residence requirement right from the beginning, even though the Federal maximum is the same as in old-age assistance and aid to the blind.

In 1953 there were 28 States with a 1-year requirement, 3 with the Federal maximum, 7 with no residence requirement, and 1 with a 3-year residence requirement. In these States, there were four with authority for reciprocal agreements.

In 1956 the figures were 31 States with a 1-year requirement, 6 States with the Federal maximum, 7 States (unchanged) with no residence requirements, and 6 States with authority for reciprocal agreements.

During the 5-year period 1953-57, 7 States began aid to the permanently and totally disabled programs, yet the picture in 1957 was relatively unchanged: 30 States with a 1-year requirement; 9 States at the Federal maximum, with 2 others slightly less than the maxi-

mum; and 7 with no durational requirement. There continued to be six States with specific authority for reciprocal agreements waiving residence requirements.

Conclusion

From these findings, it is clear that, without some stimulus, there is little likelihood that the problems inherent in residence restrictions will be solved by the States themselves. A very few States have actually eliminated all residence requirements as a barrier to getting aid. Several States have obtained authority to enter into reciprocal agreements with other States, but benefits from this approach are necessarily very limited.

APPENDIX H

STAFF REPORT NO. 7—STATEMENT ON STATE PROVISIONS FOR RELATIVES' RESPONSIBILITY TO SUPPORT NEEDY PERSONS

[For administrative use of Advisory Council, March 1959]

A comprehensive study of the laws and administrative provisions of the States on the subject of relatives' responsibility for support of applicants and recipients of old-age assistance was released by the Bureau of Public Assistance in 1954. It covered all States and territories except Puerto Rico and the Virgin Islands. Reports of the study are available as reprints of the Social Security Bulletin. A summary of this information on responsibility of adult sons and daughters for the support of applicants for and recipients of old-age assistance is given in the attached tables, brought up to date for the end of June 1958.

There are 32 States with legislation clearly applicable to the support of parents in connection with old-age assistance. In 25 of these States an income scale or some other prescribed method of determining the ability of the relative to support is contained in law or in the State plan. In 4 of the 32 States, the legal remedy provided is by criminal court action only; for all of the other States in this list, provision is made for civil action by the aged person or the agency administering assistance, jointly or separately, to require support or to recover amounts expended for assistance.

In seven States there is only general legislation on the responsibility of adult children to support their parents but none specifically applying to the program of old-age assistance. In these States available contributions from adult children, as are all other resources, are taken into account in determining eligibility or amounts of monthly payments to recipients. In two of these States, the aged person may bring civil suit for support against legally responsible relatives.

In 12 remaining States there was no legislation identified as affecting the responsibility of adult children to support needy parents. The study included public assistance statutes, general support statutes, and criminal statutes. In these States available contributions from adult children, as are all other resources, are taken into account in determining eligibility or the amount of monthly payments.

RESPONSIBILITY OF RELATIVES FOR SUPPORT OF APPLICANTS AND
RECIPIENTS OF OLD-AGE ASSISTANCE, 51 STATES ¹

(The following table is an extract of information contained in a comprehensive study of the laws and administrative provisions of the States on this subject which was based on 1952 data. The figures have been brought up to date (June 1958) in accordance with the information available to us.)

Selected provisions on responsibility of adult sons and daughters for support of OAA applicants and recipients

States with legislation clearly applicable to OAA (32 States):

Alaska	Kentucky ^{2 3}	New York ²
Arkansas ²	Maine ²	North Dakota
California ²	Maryland ^{2 3}	Ohio ^{2 3}
Connecticut ²	Massachusetts ²	Oregon ²
Delaware ²	Michigan ²	Pennsylvania ²
District of Columbia ²	Minnesota ²	Rhode Island ²
Georgia ²	Montana ²	Vermont
Hawaii ²	Nebraska	Virginia ^{2 3}
Illinois ²	Nevada ²	West Virginia ²
Indiana	New Hampshire	Wisconsin
Iowa ²	New Jersey ²	

States with general support legislation (not specifically applying to OAA); available contributions from adult children taken into account (7 States):

Alabama	Mississippi
Colorado	South Dakota ⁴
Idaho	Utah
Louisiana ⁴	

States with no legislation (public assistance, general support, or criminal) affecting adult children; available contributions from them taken into account (12 States):

Arizona	New Mexico	Tennessee ⁵
Florida	North Carolina	Texas
Kansas	Oklahoma	Washington
Missouri	South Carolina	Wyoming

APPENDIX I

STAFF REPORT NO. 8—STATEMENT ON STATE PROVISIONS FOR STATE LIENS ON PROPERTY OF ASSISTANCE RECIPIENTS

[For administrative use of Advisory Council, March 1959]

Attached is a set of tabulations of States showing the various State provisions for reimbursement of assistance paid by placing of State liens on the property of a recipient of public assistance, requiring

¹ Puerto Rico and Virgin Islands were not covered in the original study.

² Income scale or other prescribed method of determining the ability of the relative to support is contained in law or in State plan.

³ Legal remedy provided is by criminal court action only; for all other States in this list, provision is made for civil action by the aged person, the agency, or either to require support or to recover amounts expended in assistance.

⁴ Aged person may bring civil suit for support.

⁵ Expected contribution from children considered available except under specified "hardship conditions."

assignment of resources such as insurance and negotiable assets, or claiming recovery from the estate of deceased recipients. Such provisions are the result of State law or regulation, and the Federal Government requires only that it receive its proportionate share of any moneys so recovered. (These do not relate to situations of fraud; different regulations apply on that subject.)

The information is a summary drawn from the "Characteristics of State Public Assistance Plans," 1957 edition (Public Assistance Report No. 33). This publication is revised at periodic intervals, at which time the States are requested to prepare succinct statements of the current provisions of their official plans on selected items for each of the programs which they administer.

In old-age assistance, 20 States have no provisions for recoveries, liens, or assignments; and 33 States have such provisions. In 10 of these latter States, assistance received constitutes a claim filed against the estate; in 23 the claim is secured by a lien or some other type of legal security.

In aid to the blind, 33 States have no provision for recoveries, liens, or assignments, although 2 of these provide controls on bank accounts and cash assets. Provision for recoveries from estate are in effect in 20 States, 14 of which file claims against the estate and 6 have a claim secured by lien or other type of legal security.

In aid to dependent children, 44 States have no provision on this subject except that 2 of them provide for special control on bank accounts and cash assets. The nine remaining States have provisions for recovery from the estate of the child or of the relative upon whom the child is legally dependent. Of these States, four file a claim against the estate and five have a claim secured by lien or other type of legal security.

In aid to the permanently and totally disabled, 29 States do not have a provision for recovery, lien, or assignment; and 19 States do have such provisions. In 10 of these latter States, claims are filed against the estate at the death of the recipient; and in 9 States claims are secured by lien or other type of legal security. There are five States which have no program for aid to the permanently and totally disabled with Federal financial participation.

PROVISIONS FOR RECOVERIES, LIENS, AND ASSIGNMENTS—OLD-AGE ASSISTANCE

Federal requirement.—None. State provisions for the placing of liens on the property of a recipient of public assistance, for assignment of resources such as insurance and negotiable assets, or for recovery from the estate of deceased recipients are the result of State law or regulation. The Federal Government requires only that it receive its proportionate share of any moneys so recovered.

No provision for recoveries, liens, or assignments (20 States):

Alabama	Georgia	Oklahoma
Arizona	Kentucky	Puerto Rico
Arkansas	Louisiana	Tennessee
California	Mississippi	Texas
Colorado	Missouri	Virgin Islands
Delaware	Nevada	Washington
Florida	New Mexico	

Provision for recoveries from estate of recipient (33 States):

Claim filed against estate (10):

District of Columbia ¹	Maryland ¹	South Carolina
Illinois	Michigan	Wyoming
Kansas	North Dakota	
Maine	Oregon	

Claim secured by lien or other type of legal security (23):

Alaska	Montana	Rhode Island ¹
Connecticut ¹	Nebraska	South Dakota
Hawaii ¹	New Hampshire ¹	Utah
Idaho	New Jersey ¹	Vermont ¹
Indiana	New York ¹	Virginia
Iowa ¹	North Carolina	West Virginia ¹
Massachusetts ¹	Ohio ¹	Wisconsin ¹
Minnesota	Pennsylvania	

There are many variations in States' requirements on this subject. The published document should be consulted for details.

PROVISIONS FOR RECOVERIES, LIENS, AND ASSIGNMENTS—AID TO THE BLIND

Federal requirement.—None. State provisions for the placing of liens on the property of a recipient of public assistance, for assignment of resources such as insurance and negotiable assets, or for recovery from the estate of deceased recipients are the result of State law or regulation. The Federal Government requires only that it receive its proportionate share of any moneys so recovered.

No provision for recoveries, liens, or assignments (33 States):

Alabama	Michigan	Oklahoma
Arizona	Mississippi	Puerto Rico
Arkansas	Missouri	Rhode Island
California	Nebraska	South Carolina
Delaware	Nevada	South Dakota
Florida	New Hampshire ²	Tennessee
Georgia	New Jersey	Texas
Idaho	New Mexico	Virgin Islands
Kentucky	North Carolina	Washington
Louisiana	North Dakota ²	West Virginia
Massachusetts	Ohio	Wyoming

Provision for recoveries from estate of recipient (20 States):

Claim filed against estate (14):

Alaska	Indiana	Minnesota
Colorado	Iowa	Oregon
District of Columbia	Kansas	Pennsylvania ⁴
Hawaii ³	Maine	Wisconsin ⁵
Illinois ⁴	Maryland ⁴	

Claim secured by lien or other type of legal security (6):

Connecticut ³	New York ³	Vermont ³
Montana	Utah	Virginia

There are many variations in States' requirements on this subject. The published document should be consulted for details.

PROVISIONS FOR RECOVERIES, LIENS, AND ASSIGNMENTS—AID TO
DEPENDENT CHILDREN

Federal requirement.—None. State provisions for the placing of liens on the property of a recipient of public assistance, for assignment of resources such as insurance and negotiable assets, or for recovery from the estate of deceased recipients are the result of State law or regulation. The Federal Government requires only that it receive its proportionate share of any moneys so recovered.

No provision for recoveries, liens, or assignments (44 States):

Alabama	Maine	Oklahoma
Alaska	Maryland	Oregon
Arizona	Massachusetts	Puerto Rico
Arkansas	Michigan	Rhode Island
California	Minnesota	South Carolina
Colorado	Mississippi	South Dakota
Delaware	Missouri	Texas
Dist. of Columbia	Montana	Vermont
Florida	Nebraska	Virgin Islands
Georgia	Nevada	Virginia
Idaho	New Hampshire ⁶	Washington
Indiana	New Mexico	West Virginia
Iowa	North Carolina	Wisconsin
Kentucky	North Dakota ⁶	Wyoming
Louisiana	Ohio	

Provision for recoveries from estate of recipient (9 States):

Claim filed against estate (4):

Hawaii ⁷	Kansas
Illinois ⁸	Tennessee ⁹

Claim secured by lien or other type of legal security (5):

Connecticut	Pennsylvania ⁸
New Jersey ⁸	Utah ⁸
New York ⁷	

There are many variations in States' provisions on this subject. The published document should be consulted for details.

PROVISIONS FOR RECOVERIES, LIENS, AND ASSIGNMENTS—AID TO THE
PERMANENTLY AND TOTALLY DISABLED

Federal requirement.—None. State provisions for the placing of liens on the property of a recipient of public assistance, for assignment of resources such as insurance and negotiable assets, or for recovery from the estate of deceased recipients are the result of State law or regulation. The Federal Government requires only that it receive its proportionate share of any moneys so recovered.

See footnotes, p. 124.

No provision for recoveries, liens, or assignments (29 States):

Alabama	Louisiana	Rhode Island
Arkansas	Michigan	South Carolina
California	Mississippi	South Dakota
Colorado	Missouri	Tennessee
Delaware	Nebraska	Texas
Dist. of Columbia	New Mexico	Virgin Islands
Florida	North Carolina	Washington
Georgia	Ohio	West Virginia
Idaho	Oklahoma	Wisconsin
Kentucky	Puerto Rico	

Provision for recoveries from estate of recipient (19 States):

Claim filed against estate (10):

Hawaii ¹⁰	Maryland	Oregon
Illinois ¹¹	Minnesota	Wyoming
Kansas	New Jersey	
Maine	North Dakota	

Claim secured by lien or other type of legal security (9):

Connecticut ¹⁰	New Hampshire ¹⁰	Utah
Massachusetts ¹⁰	New York ¹⁰	Vermont ¹⁰
Montana	Pennsylvania	Virginia

No program of APTD (5 States):

Alaska	Iowa
Arizona	Nevada
Indiana	

There are many variations in States' requirements on this subject.
The published document should be consulted for details.

¹ Has also a provision for the assignment of insurance or cash and negotiable assets (14 States).

² Control on bank accounts and cash assets.

³ Provision for the assignment of insurance (4 States).

⁴ See publication for unique provision.

⁵ Recovery limited to recovery from insurance when agency has paid premiums.

⁶ Special control on bank accounts and cash assets.

⁷ Also assignment of insurance under certain circumstances.

⁸ Special provisions, see publication.

⁹ Payment made to abandoned or deserted wife or dependent child recoverable against the husband or parent.

¹⁰ Has provision for assignment of insurance under certain circumstances.

¹¹ Unique provision, see publication.

APPENDIX J

LEGISLATIVE CHRONOLOGY OF PROVISIONS FOR FEDERAL PARTICIPATION IN ASSISTANCE AND ADMINISTRATIVE EXPENDITURES FOR PUBLIC ASSISTANCE

Federal financial participation first available for old-age assistance, aid to dependent children, and aid to the blind, February 1, 1936; for aid to the permanently and totally disabled, October 1, 1950.

(U.S. Department of Health, Education, and Welfare, Social Security Administration, Bureau of Public Assistance, Division of Program Statistics and Analysis, October 1958)

Part I. LEGISLATION CURRENTLY IN EFFECT

ASSISTANCE PAYMENTS

Legislation	Maximum monthly amounts subject to Federal participation		Federal share of expenditures within specified maximum amounts		
	Aged, blind, and disabled	Aid to dependent children	For first part of payments		For balance of payments
			Aged, blind, and disabled	Aid to dependent children	All programs

Assistance subject to Federal participation defined to include money payments to recipients and payments to vendors for medical and remedial care

1958 amendments, effective (10/1/58)	\$65 multiplied by the number of recipients	\$30 multiplied by the number of recipients	4/5 of first \$30 (average)	14/17 of first \$17 (average)	Federal percent varies according to average per capita income in State for most recent three years except that Federal share in any State shall not be less than 50 percent nor more than 65 percent and Federal share for Alaska and Hawaii is specified as 50 percent. Federal share is determined as follows: Federal percent equals 100 percent minus State percent. State percent bears same relationship to 50 percent as square of relationship between State per capita income and national per capita income.
Puerto Rico Virgin Islands Guam	\$35 multiplied by the number of recipients	\$18 multiplied by the number of recipients	Federal share is 1/2 of total matchable expenditures		
Maximum total Federal payment in a fiscal year for both assistance and administration			Puerto Rico..... \$8,500,000 Virgin Islands..... 300,000 Guam..... 400,000		

STATE AND LOCAL ADMINISTRATIVE COSTS

Legislation	Federal share of expenditures			
	Aged	Blind	Disabled	Aid to dependent children
1956 amendments, effective (8/1/56)	All programs--1/2 of the total of the sums expended as found necessary by the Secretary of Health, Education, and Welfare for the proper and efficient administration of the State plan, including services which are provided by the staff of the agency (State or local) to applicants and recipients for purposes specified under each category as follows:			
	To help them attain self-care	To help them attain self-support or self-care	To help them attain self-support or self-care	To help relatives with whom children are living attain self-support or self-care or services provided to maintain and strengthen family life

Part II. LEGISLATION SUPERSEDED

ASSISTANCE PAYMENTS

Legislation	Maximum monthly amounts subject to Federal participation			Federal share of expenditures within specified maximums	
	Aged, blind, and disabled	Aid to dependent children		Aged, blind, and disabled	Aid to dependent children
		First child	Each additional child		
Assistance subject to Federal participation defined to include only money payments to recipients					
1935 original act, effective (2/1/36-12/31/39)	\$30	\$18	\$12	1/2	1/3
1939 amendments, effective (1/1/40-9/30/46)	\$40	\$18	\$12	1/2	1/2
1946 amendments, effective (10/1/46-9/30/48)	\$45	\$24	\$15	2/3 of first \$15 (average) plus 1/2 balance	2/3 of first \$9 (average per child) plus 1/2 balance
1948 amendments, effective (10/1/48-9/30/50)	\$50	\$27	\$18	3/4 of first \$20 (average) plus 1/2 balance	3/4 of first \$12 (average per child) plus 1/2 balance
Assistance subject to Federal participation defined to include money payments to recipients and payments to vendors for medical and remedial care					
1950 amendments, effective (10/1/50-9/30/52)	\$50	\$27 plus \$27 for 1 needy relative with whom child lives	\$18	3/4 of first \$20 (average) plus 1/2 balance	3/4 of first \$12 (average per person) plus 1/2 balance
Puerto Rico Virgin Islands	\$30	\$18	\$12	1/2	1/2
Maximum Federal payment in a fiscal year for both assistance and administration			Puerto Rico.....	\$4,250,000	
			Virgin Islands.....	160,000	
1952 amendments (temporary), effective (10/1/52-9/30/54)	\$55	\$30 plus \$30 for 1 needy relative with whom child lives	\$21	4/5 of first \$25 (average) plus 1/2 balance	4/5 of first \$15 (average per person) plus 1/2 balance
1954 amendments (extended 1952 amendments) effective (10/1/54-9/30/56)					
Puerto Rico Virgin Islands	 No change from 1950 provisions				
1956 amendments, effective (10/1/56-6/30/57)	\$60	\$32 plus \$32 for 1 needy relative with whom child lives	\$23	4/5 of first \$30 (average) plus 1/2 balance	14/17 of first \$17 (average per person) plus 1/2 balance
Puerto Rico Virgin Islands	\$30	\$18 plus \$18 for 1 needy relative with whom child lives	\$12	1/2	1/2
Maximum Federal payment in a fiscal year for both assistance and administration			Puerto Rico.....	\$5,312,500	
			Virgin Islands.....	200,000	

Legislation	Maximum monthly amounts subject to Federal participation			Federal share of expenditures within specified maximums	
	Aged, blind, and disabled	Aid to dependent children		Aged, blind, and disabled	Aid to dependent children
		First child	Each additional child		

1957 amendments -- States have choice of one of two methods for computing Federal share

Method 1. Assistance subject to Federal participation defined to include money payments to recipients and payments to vendors for medical and remedial care

Effective (7/1/57-9/30/58)	Maximum applied to each individual payment			4/5 of first \$30 (average) plus 1/2 balance	14/17 of first \$17 (average per person) plus 1/2 balance
	\$60	\$32 plus \$32 for 1 needy relative with whom child lives	\$23		
Puerto Rico Virgin Islands	\$30	\$18 plus \$18 for 1 needy relative with whom child lives	\$12	1/2	1/2
Maximum Federal payment in a fiscal year					
				Puerto Rico.....	\$5,312,500
				Virgin Islands.....	200,000

OR

Method 2. Separate formulas for Federal participation in money payments to recipients and payments to vendors for medical and remedial care

A. Separate provision for Federal participation in money payments to recipients

Effective (7/1/57-9/30/58)	Maximum applied to each individual payment			4/5 of first \$30 (average) plus 1/2 balance	14/17 of first \$17 (average per person) plus 1/2 balance
	\$60	\$32 plus \$32 for 1 needy relative with whom child lives	\$23		
Puerto Rico Virgin Islands	\$30	\$18 plus \$18 for 1 needy relative with whom child lives	\$12	1/2	1/2
Maximum Federal payment in a fiscal year					
				Puerto Rico.....	\$5,312,500
				Virgin Islands.....	200,000

PLUS

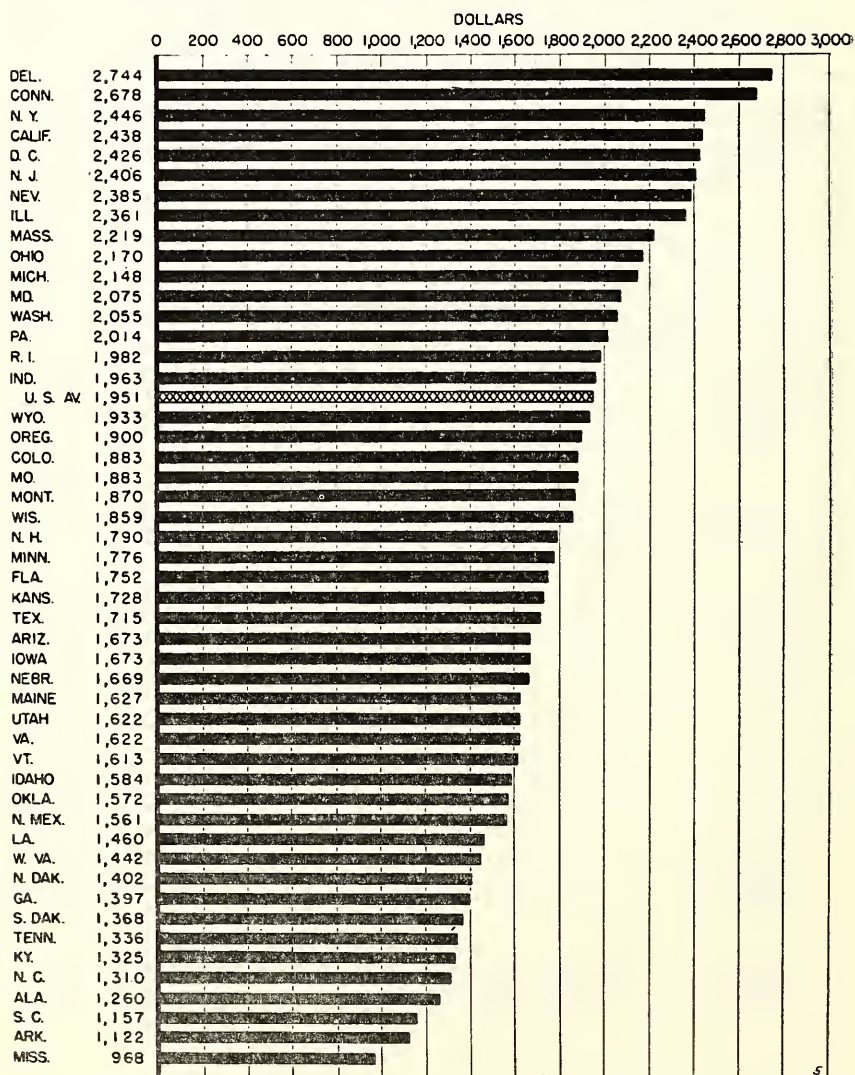
B. Separate provision for Federal participation in vendor payment for medical and remedial care

Effective (7/1/57 - 9/30/58)	Maximum applied to average of all payments		1/2	1/2
	\$6	\$6 per adult \$3 per child		
Puerto Rico Virgin Islands	Same as for other jurisdictions except as affected by limitation on maximum Federal payment in any year shown above in A			

STATE AND LOCAL ADMINISTRATIVE COSTS

Legislation	Federal share of expenditures		
	Aged	Blind	Aid to dependent children
1935 original act, effective (2/1/35-12/31/39)	5% of the Federal grant for assistance	5% of the Federal grant for assistance	1/3 of the total of the sums expended under State plan
1939 amendments, effective (1/1/40-9/30/46)	5% of the Federal grant for assistance	1/2 of the total of the sums expended as found neces- sary for the proper and efficient administration of the State plan	1/2 of the total of the sums expended under State plan
1946 amendments, effective (9/30/46-7/31/56)	All programs--1/2 of the total of the sums expended as found necessary by the Federal agency for the proper and efficient administration of the State plan which amount shall be used for administrative costs or for assistance or both		

AVERAGE PER CAPITA INCOME, 1955-1957



FEDERAL PERCENTAGES FOR STATES 1958-61

(Percent for second fraction of assistance payments)

Pursuant to section 1101(a)(8) of the Social Security Act, as amended (sec. 505, Social Security Amendments of 1958, Public Law 85-840), the Federal percentage, as indicated below, was promulgated for each of the 11 quarters in the period beginning October 1, 1958, and ending with the close of June 30, 1961, for purposes of Federal financial participation in State assistance expenditures under titles I, IV, X, or XIV of said act, for each of the 50 States, and the District of Columbia, as specified in said act, or as determined pursuant thereto and on the basis of data from the Department of Commerce as to per capita income of each State and of the continental United States for the years 1955, 1956, and 1957.

State	Federal percentage	State	Federal percentage
Alabama.....	65. 00	Montana.....	54. 07
Alaska.....	50. 00	Nebraska.....	63. 41
Arizona.....	63. 23	Nevada.....	50. 00
Arkansas.....	65. 00	New Hampshire.....	57. 91
California.....	50. 00	New Jersey.....	50. 00
Colorado.....	53. 42	New Mexico.....	65. 00
Connecticut.....	50. 00	New York.....	50. 00
Delaware.....	50. 00	North Carolina.....	65. 00
District of Columbia.....	50. 00	North Dakota.....	65. 00
Florida.....	59. 68	Ohio.....	50. 00
Georgia.....	65. 00	Oklahoma.....	65. 00
Hawaii.....	50. 00	Oregon.....	52. 58
Idaho.....	65. 00	Pennsylvania.....	50. 00
Illinois.....	50. 00	Rhode Island.....	50. 00
Indiana.....	50. 00	South Carolina.....	65. 00
Iowa.....	63. 23	South Dakota.....	65. 00
Kansas.....	60. 78	Tennessee.....	65. 00
Kentucky.....	65. 00	Texas.....	61. 36
Louisiana.....	65. 00	Utah.....	65. 00
Maine.....	65. 00	Vermont.....	65. 00
Maryland.....	50. 00	Virginia.....	65. 00
Massachusetts.....	50. 00	Washington.....	50. 00
Michigan.....	50. 00	West Virginia.....	65. 00
Minnesota.....	58. 57	Wisconsin.....	54. 60
Mississippi.....	65. 00	Wyoming.....	50. 92
Missouri.....	53. 42		

Federal funds as a percent of total public assistance payments including and excluding the general assistance program, fiscal years 1936-59

Fiscal year	Including general assistance	Excluding general assistance	Fiscal year	Including general assistance	Excluding general assistance
1936.....	6. 0	23. 5	1948.....	42. 9	48. 5
1937.....	18. 9	42. 8	1949.....	45. 6	51. 7
1938.....	22. 0	43. 5	1950.....	44. 6	51. 7
1939.....	22. 7	42. 4	1951.....	46. 6	52. 8
1940.....	25. 7	44. 9	1952.....	47. 4	52. 3
1941.....	31. 2	46. 8	1953.....	50. 6	55. 2
1942.....	36. 4	47. 0	1954.....	51. 5	56. 3
1943.....	40. 0	47. 0	1955.....	49. 8	55. 6
1944.....	41. 2	45. 9	1956.....	49. 1	54. 4
1945.....	41. 3	45. 4	1957.....	50. 7	55. 9
1946.....	39. 4	43. 6	1958.....	50. 5	56. 4
1947.....	43. 3	48. 5	1959.....	51. 7	58. 7

APPENDIX K

STATE AND LOCAL FISCAL EFFORT FOR ALL PUBLIC REVENUES AND
FOR PUBLIC ASSISTANCE EXPENDITURES ¹*All public revenues from State-local sources*

Equitable fiscal effort among States is difficult to define and measure. Most logically, perhaps, it should be related to the amount of income in each State that is in excess of reasonable needs for healthful and decent living and, therefore, equitably taxable. If such a measure were available, it probably would indicate that the percent of income drawn off in taxes should vary with per capita income; that is, the lower the per capita income in a State, the lower the share of income to be taken in taxes. This is the principle of equity underlying the Federal income tax. No measure is available of income in the several States that could be considered taxable on an equitable basis. In addition, most present State-local taxes are not graduated according to income. It is not possible, therefore, to compare States in relation to the equity of their fiscal effort, as measured by the proportion of income above some defined level that is used for taxes.

Lacking a measure of equitable taxation or fiscal effort, the concept of equal fiscal effort is used. Equal fiscal effort would be achieved if all States drew off the same proportion of total income for taxes. Per capita income in our wealthiest State is 2.8 times that in the State with lowest income. Thus, if all States used the same percent of income for taxes, the State with highest income would have almost three times as much to spend per person in the population as the lowest income State. Present fiscal effort, however, is not equal among the States, nor does it vary directly with per capita income—on the contrary (see table 1).

In 1957, total State and local revenue per capita in the State with the highest amount was about 2.3 times the amount in the lowest State. As a group, the States with per capita income at or above the national median devote less of total income in the State to public revenue than do the States with lower than average income. Of the 25 wealthier States, 3 out of 5 made less than average fiscal effort. Of the 24 poorer States in contrast, about 3 out of 5 made above-average fiscal effort. Of the 13 States with the greatest proportions of income used for taxes, 4 were among the 12 States with least income. On the other hand, of the 12 States making least fiscal effort, 7 were among the highest 13 in income; 4 more had above-average resources; and only 1 was among the 12 States with least resources.

Because of their greater wealth, the higher income States do not need to use as much of their income, as would the lower income States, to provide adequate services. In 1957, on the average, the 13 States, with highest income took in taxes about \$4 per \$100 of income for every \$5 per \$100 of income taken in taxes by the 12:

¹ See app. J for data on average per capita income, by State, for 1955-57.

lowest income States and yet had half again as much to spend per inhabitant. To have equal revenue per capita on the average, the 12 lowest income States would need to make 80 percent more effort than the 13 States with most income. In 1957, average fiscal effort among the 12 lowest income States exceeded that in the 13 wealthiest States by 22 percent.

*Public assistance*²

Fiscal effort for public assistance varies among the States considerably more than either per capita income or overall fiscal effort. Thus, in 1957 the highest State made about 18 times the effort for public assistance exerted by the lowest State. No State used more than about 14 percent of total income for public assistance; 1 State used as little as 0.8 percent.

Unlike overall fiscal effort, that for public assistance does not vary among States in any close relation with variations in per capita income. The higher income States are divided almost evenly between those with higher and lower effort for public assistance; so also are the lower income States. For 7 out of every 10 States, however, if overall fiscal effort is above average, effort for public assistance is also larger than average; or the converse is true—if the general effort is low, so is effort for public assistance. The 14 States that are exceptions to this general rule are responsible for the fact that effort for public assistance does not run generally inversely with per capita income, as overall effort does. Of the 14 States, 5 are among the lower income States that make relatively high overall effort; they make below-average effort for public assistance. On the other hand, 6 are above-average income States that make relatively low fiscal effort overall but are above average for public assistance. Thus, for about one-fourth of the States, public attitudes toward public assistance appear to differ from those about government spending in general and seem to be more closely related to general levels of income and living.

As a result of the variations among States, median fiscal effort in 1957 was as follows, among the States, grouped by per capita income:

Per capita income group, 1955-57	Median fiscal effort per \$1,000 of personal income, 1957	
	Overall	For public assistance
United States	\$107.41	\$4.50
Highest 13	88.04	3.70
Second 12	111.03	5.15
Third 12	115.62	4.20
Lowest 12	107.31	3.80

Prepared by staff October 1959.

² See app. L for data on fiscal effort for public assistance.

TABLE 1.—*State and local government revenues:*¹ *Amount per \$1,000 of personal income, by State, 1957*

State (in order of per capita income, 1955-57)	Amount	Rank among all States in fiscal effort	State (in order of per capita income, 1955-57)	Amount	Rank among all States in fiscal effort
1. Delaware.....	\$67.98	49	26. Kansas.....	\$114.59	17
2. Connecticut.....	83.32	44	27. Texas.....	97.34	35
3. New York.....	104.99	27	28. Arizona.....	115.31	16
4. California.....	110.84	22	29. Iowa.....	115.94	15
5. District of Columbia.....	76.41	48	30. Nebraska.....	93.66	37
6. New Jersey.....	81.27	46	31. Maine.....	109.23	24
7. Nevada.....	119.71	10	32. Utah.....	116.72	14
8. Illinois.....	83.56	43	33. Virginia.....	101.24	31
9. Massachusetts.....	99.48	34	34. Vermont.....	118.20	12
10. Ohio.....	83.19	45	35. Idaho.....	120.83	9
11. Michigan.....	102.18	29	36. Oklahoma.....	117.80	13
12. Maryland.....	88.04	39	37. New Mexico.....	133.15	4
13. Washington.....	114.36	19	38. Louisiana.....	141.25	2
14. Pennsylvania.....	89.70	38	39. West Virginia.....	86.49	40
15. Rhode Island.....	84.28	42	40. North Dakota.....	158.50	1
16. Indiana.....	84.72	41	41. Georgia.....	107.41	25
17. Wyoming.....	127.12	7	42. South Dakota.....	131.77	5
18. Oregon.....	127.24	6	43. Tennessee.....	102.06	30
19. Colorado.....	115.16	18	44. Kentucky.....	94.29	36
20. Missouri.....	77.68	47	45. North Carolina.....	104.65	28
21. Montana.....	122.08	8	46. Alabama.....	100.18	32
22. Wisconsin.....	111.08	20	47. South Carolina.....	109.83	23
23. New Hampshire.....	99.68	33	48. Arkansas.....	107.21	26
24. Minnesota.....	119.19	11	49. Mississippi.....	137.55	3
25. Florida.....	110.98	21			

¹ Includes general revenue and net revenue from public liquor stores. (Net revenue included is difference between total operating revenue and operating expenses.) Excludes insurance trust funds and revenues from business enterprise activities other than liquor stores.

Source: U.S. Bureau of the Census, State and Local Governmental Finances, 1942 and 1957, table 1.

APPENDIX L

LIST OF SELECTED STATISTICAL DATA

The following tables and charts, appearing in the "Trend Report—Graphic Presentation of Public Assistance and Related Data," published annually by the Bureau of Public Assistance, are pertinent to the questions considered by the Advisory Council:

Public assistance and Federal work programs in the United States, assistance and earnings, by month, 1933 to date.

Number of public assistance recipients by program, June and December of each year, 1936 to date.

Amount of public assistance payments by program, June and December of each year, 1936 to date.

Average monthly public assistance per recipient, by program, June and December of each year, 1936 to date.

Public assistance; proportion of population receiving assistance (recipient rates) in the United States, June 1958.

Amount expended per inhabitant for public assistance payments, including medical care vendor payments, fiscal year ended June 30, 1958.

Population aged 65 and over, and social security programs for the aged, June of each year, 1936 to date.

Number of old-age assistance recipients, old-age and survivors insurance aged beneficiaries, and number per 1,000 aged population, June of each year, 1940 to date.

Number of aged persons receiving benefits under old-age, survivors, and disability insurance and number receiving old-age assistance per 1,000 population 65 years of age and over, by State, June 1958.

Also pertinent to the considerations of the Advisory Council is the article "Expenditures for Assistance From State-Local Funds,

1957-58," which appeared in the June 1959 edition of the Social Security Bulletin. A significant chart on page 24 of this article is the following:

Expenditures per inhabitant from State and local funds for public assistance in relation to personal income, by State, fiscal year 1957-58.

APPENDIX M

CHRONOLOGY OF SIGNIFICANT EVENTS IN PUBLIC ASSISTANCE: 1934-58

1934

June 29: Committee on Economic Security created by the President to study problems and recommend legislation on economic security.

1935

January 17: Report of the Committee on Economic Security transmitted to Congress by the President. (The Committee's recommendations were considered at length in congressional hearings and became the basis of the Social Security Act of 1935.)

April 4: Social security bill introduced; passed by the House on April 19; by the Senate on June 19.

August 14: Social Security Act became law with the President's signature.

August 23: Members of the Social Security Board named by President and approved by Senate.

1936

February: Public assistance payments to recipients first made under the Social Security Act in old-age assistance (17 States), aid to dependent children (10 States), and aid to the blind (9 States).

1938

December: All 51 jurisdictions were paying old-age assistance under approved State plans.

December 30: Proposed Changes in the Social Security Act, report by the Social Security Board.

1939

July 1: Federal Security Agency established in accordance with the President's Reorganization Plan No. 1 of 1939 integrating in one administrative unit the Social Security Board (to which was transferred the U.S. Employment Service), the U.S. Public Health Service, Civilian Conservation Corps, National Youth Administration, and U.S. Office of Education.

August 10: Social Security Act Amendments of 1939 enacted. Federal share of public assistance payments was increased. State personnel merit system made requisite for Social Security Board approval of State plan.

1943

June 30: With liquidation of the Work Projects Administration and the student work program of the National Youth Administration, Federal financial participation in public aid became limited to the special types of public assistance under the Social Security Act.

1946

January 17: Social Security Technical Staff of the House Ways and Means Committee presented its report ("Issues in Social Security") on necessary amendments to the Social Security Act.

July 16: Under President Truman's Reorganization Plan No. 2 of 1946, the Social Security Board was abolished and its functions transferred to the Federal Security Administrator; the Children's Bureau (except its child labor functions) was also transferred from the Department of Labor. The Federal Security Administrator established the Social Security Administration within the Federal Security Agency to carry on the programs formerly under the Social Security Board—old-age and survivors insurance, unemployment insurance, public assistance—and those of the Children's Bureau.

August 2: Senate Resolution 320 authorized the Senate Finance Committee to study the present Social Security Act and provisions for its extension.

August 10: Social Security Amendments of 1946 enacted. An increase was provided for the period October 1946–December 1947 in Federal financial participation in public assistance payments.

1947

July 23: Senate Resolution 141, superseding Senate Resolution 320 (August 2, 1946) gave the Senate Finance Committee authorization and appropriation for investigating the social security program. The Committee was authorized to appoint an advisory council to assist and advise in the study.

August 6: Social Security Amendments of 1947. Termination date for increased Federal grants for the three public assistance programs extended through June 1950.

1948

June 14: Social Security Amendments of 1948. Federal participation in public assistance payments was increased.

August 5: Advisory Council on Social Security presented its report on changes in public assistance to the Senate Finance Committee.

1950

August 28: Social Security Amendments of 1950. In public assistance, a new program of aid to the permanently and totally disabled was established, aid to dependent children was broadened to include, for Federal matching purposes, the relative with whom the dependent child is living; Federal matching provisions were extended to payments to aged and blind persons in certain types of public medical institutions and to payments made by the State directly to doctors, hospitals, and other persons supplying medical care to recipients; exemption

of \$50 in income in aid to the blind was permitted; opportunity to apply and prompt action on applications and payments were required; and in States making assistance payments to persons in institutions; a standard setting authority for such institutions was required. Public assistance provisions were extended to Puerto Rico and the Virgin Islands.

October: First payments made under the Federal-State program of aid to the permanently and totally disabled.

1951

February: For the first time, aged beneficiaries of OASI outnumbered OAA recipients.

October: Congress enacted legislation authorizing the Federal Security Administrator to certify grants-in-aid to States that have by legislation specified the conditions under which public access may be had to records concerning public assistance payments if such legislation specifies that information so obtained should not be used for political or commercial purposes.

1952

July 18: Social Security Amendments of 1952 increased share of public assistance payments for 2-year period.

1953

April 11: Reorganization Plan No. 1 abolished Federal Security Agency and transferred all its powers and functions to a new Department of Health, Education, and Welfare.

May: Nevada Legislature authorized plan for aid to the blind, resulting in all 53 jurisdictions administering such programs.

1954

September 1: Social Security Amendments of 1954 extended to September 30, 1956, the Federal matching formula for public assistance payments.

1955

July: Nevada's plan for aid to dependent children became effective, resulting in all 53 jurisdictions administering such programs.

1956

August 1: Social Security Amendments of 1956. In public assistance, the Federal share of State assistance payments was increased and the maximum payment raised for a period ending June 30, 1959; the ceiling on Federal matching funds for Puerto Rico and the Virgin Islands was raised. New provision was made in each assistance program for separate Federal sharing in State medical care costs paid directly to suppliers of medical services. The objective of furnishing appropriate public welfare services to help assistance recipients toward more independent living was included in each of the four public assistance titles and authorization was made for Federal appropriation of funds to States to train personnel for public assistance programs.

An amendment to title XI of the Social Security Act which has great significance for all the social security programs authorizes co-operative research or demonstration projects such as those relating to prevention or reduction of dependency or to improve the effectiveness of programs under the Act or related programs. (No appropriations have been made for training or research and demonstration grants.)

1957

July: The 1956 amendment providing Federal matching for medical care in assistance programs became effective.

1958

August 28: Social Security Amendments of 1958. Federal financial participation in State expenditures for assistance to needy persons who are aged, blind, or disabled, and to needy dependent children was related in part to the fiscal capacity of each State determined by the relationship of State per capita income to national per capita income.

The limitation on the amount of assistance expenditures to which the Federal Government will contribute was related to a single average expenditure per recipient that includes both money payments to and medical care payments on behalf of recipients.

The public assistance program was extended to Guam, on a basis similar to that in effect for Puerto Rico and the Virgin Islands.

The dollar limitation on the total annual Federal payment for public assistance to Puerto Rico and the Virgin Islands was increased.

Provision was made for an Advisory Council on Public Assistance to review the program and report its findings and recommendations by January 1, 1960.

APPENDIX N

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